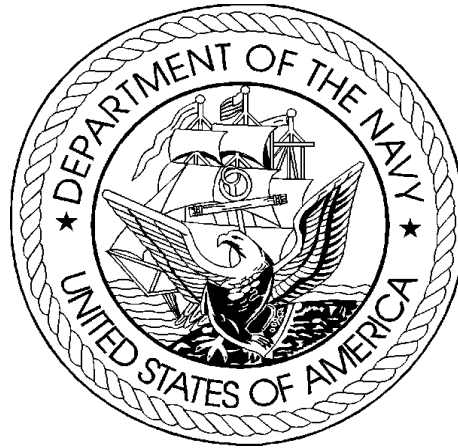


DEPARTMENT OF THE NAVY
FISCAL YEAR (FY) 2003
BUDGET ESTIMATES



JUSTIFICATION OF ESTIMATES
FEBRUARY 2002

MILITARY PERSONNEL, NAVY

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SECTION 1
SUMMARY OF REQUIREMENTS BY BUDGET PROGRAM
 (IN THOUSANDS OF DOLLARS)

TITLE	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>
<u>DIRECT PROGRAM</u>			
PAY AND ALLOWANCES OF OFFICERS	\$4,718,354	\$5,005,586	5,321,416
PAY AND ALLOWANCES OF ENLISTED	11,764,931	12,918,931	15,046,427
PAY AND ALLOWANCES OF MIDSHIPMEN	42,791	45,417	47,294
SUBSISTENCE OF ENLISTED PERSONNEL	802,934	856,334	875,833
PERMANENT CHANGE OF STATION TRAVEL	652,106	654,445	725,515
OTHER MILITARY PERSONNEL COSTS	<u>60,641</u>	<u>69,971</u>	<u>77,916</u>
TOTAL DIRECT PROGRAM	18,041,757	19,550,684	22,094,401
<u>REIMBURSABLE PROGRAM</u>			
PAY AND ALLOWANCES OF OFFICERS	117,996	114,795	214,065
PAY AND ALLOWANCES OF ENLISTED	62,906	58,524	136,558
SUBSISTENCE OF ENLISTED PERSONNEL	46,170	44,987	45,159
PERMANENT CHANGE OF STATION TRAVEL	<u>7,894</u>	<u>3,500</u>	<u>3,500</u>
TOTAL REIMBURSABLE PROGRAM	234,966	221,806	399,282
<u>TOTAL PROGRAM</u>			
PAY AND ALLOWANCES OF OFFICERS	4,836,350	5,120,381	5,535,481
PAY AND ALLOWANCES OF ENLISTED	11,827,837	12,977,455	15,182,985
PAY AND ALLOWANCES OF MIDSHIPMEN	42,791	45,417	47,294
SUBSISTENCE OF ENLISTED PERSONNEL	849,104	901,321	920,992
PERMANENT CHANGE OF STATION TRAVEL	660,000	657,945	729,015
OTHER MILITARY PERSONNEL COSTS	<u>60,641</u>	<u>69,971</u>	<u>77,916</u>
TOTAL OBLIGATIONS	\$18,276,723	\$19,772,490	\$22,493,683

MILITARY PERSONNEL, NAVY INTRODUCTION

THE MILITARY PERSONNEL, NAVY (MPN) APPROPRIATION PROVIDES RESOURCES NECESSARY TO COMPENSATE ACTIVE DUTY MILITARY PERSONNEL REQUIRED TO MAN APPROVED FORCE STRUCTURE AND SUPPORT INFRASTRUCTURE, INCLUDING THOSE OFFICER AND ENLISTED PERSONNEL WITHIN THE INDIVIDUALS ACCOUNT: STUDENTS, TRAINEES, TRANSIENTS, PATIENTS, PRISONERS, HOLDEES, AND MIDSHIPMEN. THE MPN MANPOWER PROGRAM DOES NOT INCLUDE RESERVE PERSONNEL, NAVY (RPN) DATA. NAVY'S PRIMARY FOCUS IS ON ENHANCING PERSONNEL READINESS, IMPROVED OFFICER AND ENLISTED RETENTION, AND IMPROVED QUALITY OF LIFE FOR ALL NAVY PERSONNEL. THE FY 2003 BUDGET INCLUDES FUNDING FOR A 4.1% PAY RAISE FOR ALL GRADES AS WELL AS THE OPTION OF AN ADDITIONAL TARGETED PAY RAISE RANGING FROM 0.9% TO 2.7% FOR MID-GRADE NCOS AND SOME OFFICERS TO IMPROVE THE COMPETITIVENESS OF MILITARY PAY WITH PRIVATE SECTOR PAY.

FUNDING REQUESTED IN THE FY 2003 DEPARTMENT OF THE NAVY'S BUDGET SUBMISSION SUPPORTS AN END STRENGTH OF 376,000 IN FY 2002, AND 375,700 IN FY 2003. THE BUDGET DOES NOT REFLECT NAVY'S HEIGHTENED FORWARD PRESENCE OVERSEAS OR INCREASED REQUIREMENTS FOR ANTI-TERRORISM/FORCE PROTECTION (AT/FP) IN CONUS. RECENT TERRORIST ATTACKS HAVE PROMPTED THE ADDITION OF END STRENGTH IN FY 2003 TO SUPPORT EXPANSION OF MOBILE SECURITY FORCES (159 OFFICER/993 ENLISTED) AND EXPLOSIVE ORDNANCE DISPOSAL UNITS (8 OFFICER/100 ENLISTED). MOBILE SECURITY FORCES WILL BE USED TO PROTECT DEPLOYABLE NAVY SHIPS, AIRCRAFT AND OTHER UNITS AGAINST TERRORIST ATTACKS IN AREAS WHERE SHORE INFRASTRUCTURE IS INADEQUATE.

THE NAVY CONTINUES TO EMPHASIZE A STRATEGY OF ACHIEVING THE OPTIMUM BALANCE BETWEEN RECRUITING AND RETENTION EFFORTS WITH A GOAL OF IMPROVING PERSONNEL READINESS IN THE FLEET. THE NEED TO RETAIN HIGHLY MOTIVATED SAILORS TO SUSTAIN OUR EXPERIENCED WORKFORCE IN A STEADY-STATE NAVY HAS SELDOM BEEN GREATER. CONTINUED EMPHASIS ON EXISTING PROGRAMS SUCH AS SELECTIVE REENLISTMENT BONUS AND IMPLEMENTATION OF OTHER INITIATIVES SUCH AS INCREASED FUNDING OF THE TOP SIX ENLISTED PAYGRADES (72.5% IN FY 2003) ARE PROJECTED TO MAINTAIN RECENTLY EXPERIENCED MOMENTUM IN RETENTION AND READINESS. NONETHELESS, NAVY RECRUITING CONTINUES TO BE CHALLENGING. NAVY CONTINUES TO INTENSIFY ITS FOCUS ON RECRUIT QUALITY AND PHASED ACCESSIONS TO ENSURE THAT THE CHALLENGE OF PUTTING THE RIGHT SAILOR, WITH THE RIGHT SKILLS, IN THE RIGHT JOB, AT THE RIGHT TIME IS MET. TO THIS END, NAVY WILL MAINTAIN ITS PRODUCTION RECRUITER FORCE AT 5,000. NAVY'S ACCESSION MISSION IS 53,000 IN FY 2002 AND 50,101 IN FY 2003. THE ENLISTMENT BONUS (EB) AND NAVY COLLEGE FUND (NCF) PROGRAMS CONTINUE TO BE HIGHLY EFFECTIVE TOOLS USED TO ATTRACT QUALITY PERSONNEL WHO MIGHT OTHERWISE FIND GREATER FINANCIAL REWARDS IN THE CIVILIAN MARKETPLACE.

BASIC ALLOWANCE FOR HOUSING (BAH) PROGRAMS HAVE BEEN FUNDED TO EFFECT THE TRANSITION TO MARKET-BASED-RATES, TO FUND ANTICIPATED FUTURE HOUSING RATE INCREASES OF 3.9% FOR THE NAVY AND TO REDUCE OUT-OF-POCKET (OOP) EXPENSES TO 7.5% IN FY 2003 AND ELIMINATE THEM BY FY 2005. ADDITIONAL FUNDING HAS ALSO BEEN BUDGETED FOR BAH COSTS ASSOCIATED WITH PRIVATIZATION OF APPROXIMATELY 2,600 FAMILY HOUSING UNITS IN FY 2002 AND 1,500 UNITS IN FY 2003.

THE FOLLOWING LEGISLATIVE PROPOSALS ARE ALSO INCLUDED IN FY 2003 BUDGET ESTIMATES:

. INCLUSION OF LOAN INTEREST IN LOAN REPAYMENT PROGRAM	\$ 0.1 M
. MULTIPLE BASIC ALLOWANCE FOR HOUSING (BAS) MEAL RATES	\$ 0.8 M
. DISTRIBUTION INCENTIVE PAY	\$ 1.0 M
. VEHICLE STORAGE IN LIEU OF TRANSPORTATION	\$ 0.6 M
. PAY FOR CERTAIN SERVICE ACADEMY PREP SCHOOL STUDENTS	\$ 0.1 M
. LOW COST OR NO COST MOVES	\$ 0.2 M
. SHIPMENT OF TWO PRIVATELY OWNED VEHICLES (POVS) UPON DEATH	\$ 0.1 M
. SURVIVOR ELIGIBILITY FOR DEPENDENTS' DENTAL PLAN	\$ 0.1 M

ENHANCED CAREER SEA PAY (CSP) HAS BEEN FUNDED IN THIS SUBMISSION IN FY 2003 AND BEYOND. ENHANCED CSP, WHICH WAS AUTHORIZED BY THE FY 2001 NATIONAL DEFENSE AUTHORIZATION ACT, INCREASES EXISTING SEA PAY RATES TO RESTORE THE INCENTIVE VALUE OF SEA DUTY, AND PROVIDES CAREER SEA PAY TO ALL MILITARY MEMBERS REGARDLESS OF RANK, PAYGRADE OR TIME IN SERVICE.

ADDITIONALLY, FY 2003 INCLUDES FUNDING FOR DEFENSE HEALTH PROGRAM ACCRUAL. THIS WILL PROVIDE FOR THE DEPARTMENT OF DEFENSE'S CONTRIBUTION TO THE DEFENSE HEALTH CARE TRUST FUND TO PAY FOR FUTURE MEDICARE-ELIGIBLE MILITARY RETIREES AND ELIGIBLE DEPENDENTS. THE DEFENSE HEALTH CARE TRUST FUND WILL ALSO PROVIDE REIMBURSEMENT TO THE MPN APPROPRIATION FOR PAY AND ALLOWANCES ASSOCIATED WITH MEDICAL CARE PROVIDED TO RETIREES AND ELIGIBLE DEPENDENTS BY NAVY OFFICER AND ENLISTED PERSONNEL.

FY 2002 BATTLE FORCE SHIPS SHOW A NET LOSS OF ONE SHIP. FY 2002 GAINS ARE 4 ARLEIGH BURKE DESTROYERS (DDG). FY 2002 REDUCTIONS INCLUDE 2 DESTROYERS (DD), 2 FRIGATES (FFG) AND 1 NUCLEAR ATTACK SUBMARINE (SSN). FY 2003 BATTLE FORCE SHIPS SHOW A NET REDUCTION OF 8 SHIPS. FY 2003 GAINS INCLUDE 3 ARLEIGH BURKE DESTROYERS (DDG) AND 1 NUCLEAR AIRCRAFT CARRIER (CVN). FY 2003 REDUCTIONS INCLUDE 1 AIRCRAFT CARRIER (CV), 6 DESTROYERS, 1 LSD, 1 LST, 1 MCS AND 2 FLEET BALLISTIC MISSILE SUBMARINES (SSBN). IN FY 2002, NAVY WILL TRANSITION TWO SQUADRONS WITH F-14 AIRCRAFT TO ONE SQUADRON WITH F/A-18F AIRCRAFT AND ONE WITH F/A-18E AIRCRAFT. A FIFTH EXPEDITIONARY VAQ SQUADRON WILL BE ESTABLISHED IN FY 2002. IN FY 2003, AN ADDITIONAL F-14 SQUADRON TRANSITIONS TO F/A-18F AIRCRAFT AND ONE F/A-18C SQUADRON UPGRADES TO F/A-18F AIRCRAFT.

SECTION 3
SUMMARY OF MILITARY PERSONNEL STRENGTH

	<u>FY 2001 ACTUAL</u>		<u>FY 2002 PLANNED 1/</u>		<u>FY 2003 PLANNED</u>	
	WORKYEARS	END STRENGTH 30 SEPT 2001	WORKYEARS	END STRENGTH 20 SEPT 2002	WORKYEARS	END STRENGTH 30 SEPT 2003
<u>DIRECT PROGRAM</u>						
OFFICERS	52,295	52,591	52,535	52,450	52,334	52,573
ENLISTED	313,150	317,665	314,377	316,521	313,394	316,072
MIDSHIPMEN	<u>4,196</u>	<u>4,301</u>	<u>3,843</u>	<u>4,000</u>	<u>3,842</u>	<u>4,000</u>
SUB-TOTAL	369,641	374,557	370,755	372,971	369,570	372,645
<u>REIMBURSABLE PROGRAM</u>						
OFFICERS	1,267	1,317	1,290	1,291	1,291	1,293
ENLISTED	<u>2,028</u>	<u>1,936</u>	<u>1,751</u>	<u>1,738</u>	<u>1,776</u>	<u>1,762</u>
SUB-TOTAL	3,295	3,253	3,041	3,029	3,067	3,055
<u>TOTAL PROGRAM</u>						
OFFICERS	53,562	53,908	53,825	53,741	53,625	53,866
ENLISTED	315,178	319,601	316,128	318,259	315,170	317,834
MIDSHIPMEN	<u>4,196</u>	<u>4,301</u>	<u>3,843</u>	<u>4,000</u>	<u>3,842</u>	<u>4,000</u>
TOTAL	<u>372,936</u>	<u>377,810</u>	<u>373,796</u>	<u>376,000</u>	<u>372,637</u>	<u>375,700</u>

1/ DOES NOT INCLUDE 2,071 AT/FP END STRENGTH AND ASSOCIATED WORKYEARS FUNDED FROM THE EMERGENCY RESPONSE FUND, DEFENSE APPROPRIATION

MILITARY PERSONNEL, NAVY
END STRENGTH BY GRADE 1/
TOTAL PROGRAM

	FY 2001		FY 2002		FY 2003	
	TOTAL	REIMBURSABLES INCLUDED	TOTAL	REIMBURSABLES INCLUDED	TOTAL	REIMBURSABLES INCLUDED
<u>COMMISSIONED OFFICERS</u>						
O-10 ADMIRAL	8	0	8	0	8	0
O-9 VICE ADMIRAL	25	1	25	1	25	1
O-8 REAR ADMIRAL (UPPER HALF)	77	1	77	2	77	2
O-7 REAR ADMIRAL (LOWER HALF)	108	17	108	16	108	16
O-6 CAPTAIN	3,400	160	3,448	161	3,445	162
O-5 COMMANDER	7,020	287	7,043	288	7,016	289
O-4 LIEUTENANT COMMANDER	10,512	386	10,661	366	10,604	367
O-3 LIEUTENANT	16,795	398	16,171	389	16,072	388
O-2 LIEUTENANT (JG)	6,659	36	7,425	35	7,911	35
O-1 ENSIGN	<u>7,624</u>	<u>8</u>	<u>7,146</u>	<u>8</u>	<u>6,989</u>	<u>8</u>
TOTAL	52,228	1,294	52,112	1,266	52,255	1,268
<u>WARRANT OFFICERS</u>						
W-4 CHIEF WARRANT OFFICER	352	4	346	5	358	5
W-3 CHIEF WARRANT OFFICER	371	12	367	12	384	12
W-2 CHIEF WARRANT OFFICER	957	7	916	8	869	8
W-1 CHIEF WARRANT OFFICER	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	1,680	23	1,629	25	1,611	25
TOTAL OFFICER PERSONNEL	53,908	1,317	53,741	1,291	53,866	1,293
<u>ENLISTED PERSONNEL</u>						
E-9 MASTER CHIEF PETTY OFFICER	3,253	35	3,292	35	3,242	35
E-8 SENIOR CHIEF PETTY OFFICER	7,096	81	6,864	82	6,989	83
E-7 CHIEF PETTY OFFICER	23,504	349	24,716	342	24,613	348
E-6 1ST CLASS PETTY OFFICER	52,608	649	53,261	619	52,690	624
E-5 2ND CLASS PETTY OFFICER	73,673	538	74,846	510	78,316	520
E-4 3RD CLASS PETTY OFFICER	64,108	254	64,576	123	64,585	125
E-3 SEAMAN	48,301	30	44,026	27	42,119	27
E-2 SEAMAN APPRENTICE	27,150	0	25,679	0	25,596	0
E-1 SEAMAN RECRUIT	<u>19,908</u>	<u>0</u>	<u>20,999</u>	<u>0</u>	<u>19,684</u>	<u>0</u>
TOTAL ENLISTED	319,601	1,936	318,259	1,738	317,834	1,762
TOTAL OFFICER AND ENLISTED	373,509	3,253	372,000	3,029	371,700	3,055
<u>MIDSHIPMEN</u>						
MIDSHIPMEN	<u>4,301</u>	<u>0</u>	<u>4,000</u>	<u>0</u>	<u>4,000</u>	<u>0</u>
TOTAL END STRENGTH	377,810	3,253	376,000	3,029	375,700	3,055

1/ INCLUDES REIMBURSABLE ACTIVE DUTY MILITARY PERSONNEL STRENGTHS, BUT EXCLUDES ACTIVE DUTY MILITARY PERSONNEL PAID FROM RESERVE APPROPRIATIONS

MILITARY PERSONNEL, NAVY
AVERAGE STRENGTH BY GRADE 1/
TOTAL PROGRAM

	FY 2001		FY 2002		FY 2003	
	TOTAL	REIMBURSABLES INCLUDED	TOTAL	REIMBURSABLES INCLUDED	TOTAL	REIMBURSABLES INCLUDED
<u>COMMISSIONED OFFICERS</u>						
O-10 ADMIRAL	8	0	8	0	8	0
O-9 VICE ADMIRAL	25	1	25	1	25	1
O-8 REAR ADMIRAL (UPPER HALF)	77	2	77	2	77	2
O-7 REAR ADMIRAL (LOWER HALF)	108	17	108	16	108	16
O-6 CAPTAIN	3,359	163	3,355	161	3,365	162
O-5 COMMANDER	7,008	292	7,041	288	7,040	289
O-4 LIEUTENANT COMMANDER	10,346	303	10,439	366	10,487	366
O-3 LIEUTENANT	16,932	417	16,555	388	16,079	387
O-2 LIEUTENANT (JG)	6,574	36	6,997	35	7,742	35
O-1 ENSIGN	<u>7,451</u>	<u>8</u>	<u>7,561</u>	<u>8</u>	<u>7,042</u>	<u>8</u>
TOTAL	51,888	1,239	52,166	1,265	51,973	1,266
<u>WARRANT OFFICERS</u>						
W-4 CHIEF WARRANT OFFICER	375	4	345	5	352	5
W-3 CHIEF WARRANT OFFICER	387	17	392	12	410	12
W-2 CHIEF WARRANT OFFICER	912	7	922	8	890	8
W-1 CHIEF WARRANT OFFICER	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	1,674	28	1,659	25	1,652	25
TOTAL OFFICER PERSONNEL	53,562	1,267	53,825	1,290	53,625	1,291
<u>ENLISTED PERSONNEL</u>						
E-9 MASTER CHIEF PETTY OFFICER	2,979	35	3,154	35	3,231	35
E-8 SENIOR CHIEF PETTY OFFICER	6,252	85	6,505	83	6,641	83
E-7 CHIEF PETTY OFFICER	22,654	363	23,406	345	24,389	348
E-6 1ST CLASS PETTY OFFICER	53,829	668	52,988	623	53,078	633
E-5 2ND CLASS PETTY OFFICER	69,742	521	72,111	514	74,689	525
E-4 3RD CLASS PETTY OFFICER	64,712	317	64,921	124	66,847	125
E-3 SEAMAN	48,924	39	48,357	27	43,717	27
E-2 SEAMAN APPRENTICE	26,264	0	25,429	0	24,591	0
E-1 SEAMAN RECRUIT	<u>19,822</u>	<u>0</u>	<u>19,257</u>	<u>0</u>	<u>17,987</u>	<u>0</u>
TOTAL ENLISTED	315,178	2,028	316,128	1,751	315,170	1,776
TOTAL OFFICER AND ENLISTED	368,740	3,295	369,953	3,041	368,795	3,067
<u>MIDSHIPMEN</u>						
MIDSHIPMEN	<u>4,196</u>	<u>0</u>	<u>3,843</u>	<u>0</u>	<u>3,842</u>	<u>0</u>
TOTAL AVERAGE STRENGTH	372,936	3,295	373,796	3,041	372,637	3,067

1/ INCLUDES REIMBURSABLE ACTIVE DUTY MILITARY PERSONNEL STRENGTHS, BUT EXCLUDES ACTIVE DUTY MILITARY PERSONNEL PAID FROM RESERVE APPROPRIATIONS.

MILITARY PERSONNEL, NAVY
ACTIVE DUTY STRENGTHS BY MONTH 1/
(IN THOUSANDS)

	FY 2001				FY 2002				FY 2003			
	OFFICER	ENLISTED	MID-SHIPMEN	TOTAL <u>2/</u>	OFFICER	ENLISTED	MID-SHIPMEN	TOTAL <u>2/</u>	OFFICER	ENLISTED	MID-SHIPMEN	TOTAL <u>2/</u>
SEP	53.6	315.5	4.2	373.3	53.9	319.6	4.3	377.8	53.7	318.3	4.0	376.0
OCT	53.3	316.2	4.2	373.7	53.8	318.6	4.2	376.6	53.5	317.3	4.0	374.8
NOV	53.1	314.9	4.2	372.2	53.7	317.9	4.2	375.8	53.3	316.5	4.0	373.8
DEC	53.2	313.7	4.2	371.1	53.7	315.5	4.1	373.3	53.3	315.5	4.0	372.8
JAN	53.2	313.9	4.1	371.2	53.6	315.1	4.1	372.8	53.2	315.2	3.9	372.3
FEB	53.0	312.9	4.1	370.0	53.4	314.5	4.0	371.9	53.0	314.5	3.9	372.4
MAR	52.9	313.5	4.1	370.5	53.2	314.3	4.0	371.5	53.8	313.4	3.9	371.1
APR	52.9	313.1	4.1	370.1	53.1	313.3	4.0	370.4	52.7	312.6	3.9	369.2
MAY	54.3	313.1	4.1	371.5	53.3	313.2	3.0	369.5	54.1	312.7	2.9	369.7
JUN	54.4	315.0	4.4	373.8	54.4	314.2	2.9	371.5	54.2	314.1	2.9	371.2
JUL	54.2	316.7	4.4	375.3	54.1	315.8	4.1	374.0	54.1	315.7	4.1	373.9
AUG	54.1	318.9	4.3	377.3	54.0	316.5	4.0	374.5	54.1	316.5	4.0	374.6
SEP	53.9	319.6	4.3	377.8	53.7	318.3	4.0	376.0	53.9	317.8	4.0	375.7
AVG	53.6	315.2	4.2	372.9	53.8	316.1	3.8	373.8	53.6	315.2	3.8	372.6
ADSW (WKYRS)	200.0	229.0	0.0	429.0	250.0	270.0	0.0	520.0	245.0	269.0	0.0	514.0
ADSW (\$000) <u>3/</u>	\$21,616.0	\$12,484.0	\$0.0	\$34,100.0	\$28,235.0	\$15,376.0	\$0.0	\$43,611.0	\$28,513.0	\$15,755.0	\$0.0	\$44,268.0

1/ INCLUDES REIMBURSABLE ACTIVE DUTY MILITARY PAY STRENGTH, BUT EXCLUDES ACTIVE DUTY MILITARY PERSONNEL PAID FROM RESERVE APPROPRIATIONS.

2/ MONTHLY TOTALS MAY NOT ADD DUE TO ROUNDING.

3/ COSTED AT COMPOSITE STANDARD MILITARY RATES.

GAINS AND LOSSES BY SOURCE AND TYPE

OFFICERS

	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>
BEGIN STRENGTH	53,550	53,908	53,741
GAINS			
NAVAL ACADEMY	764	794	770
RESERVE OFFICER'S TRAINING CORPS	897	935	1,000
SENIOR ROTC	(89)	(90)	(94)
SCHOLARSHIP	(808)	(845)	(906)
HEALTH PROFESSIONS SCHOLARSHIPS	255	425	334
RESERVE OFFICER CANDIDATES	0	0	0
OTHER ENLISTED COMMISSIONING PROGRAMS	1,972	1,483	1,715
VOLUNTARY ACTIVE DUTY	2,748	2,519	2,434
DIRECT APPOINTMENTS	477	491	538
WARRANT OFFICER PROGRAMS	278	245	287
OTHER	0	0	0
GAIN ADJUSTMENT	<u>73</u>	<u>0</u>	<u>0</u>
TOTAL GAINS	7,464	6,892	7,078
LOSSES			
EXPIRATION OF CONTRACT/OBLIGATION	448	466	462
NORMAL EARLY RELEASE	112	116	116
RETIREMENT	1,918	1,922	1,913
DISABILITY	(120)	(120)	(120)
NON-DISABILITY	(1,798)	(1,802)	(1,793)
TERA	0	0	0
VOLUNTARY SEPARATION - VSI	0	0	0
VOLUNTARY SEPARATION - SSB	0	0	0
INVOLUNTARY SEPARATION - RESERVE OFFICERS	31	61	61
INVOLUNTARY SEPARATION - REGULAR OFFICERS	120	208	189
REDUCTION-IN-FORCE	0	0	0
ATTRITION	4,151	4,170	4,096
OTHER	116	116	116
LOSS ADJUSTMENT	<u>210</u>	<u>0</u>	<u>0</u>
TOTAL LOSSES	7,106	7,059	6,953
END STRENGTH	53,908	53,741	53,866

GAINS AND LOSSES BY SOURCE AND TYPE

ENLISTED

	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>
BEGIN STRENGTH	315,471	319,601	318,259
GAINS			
NON-PRIOR SERVICE ENLISTMENTS	49,332	48,224	45,580
MALE	(40,372)	(36,870)	(37,080)
FEMALE	(8,960)	(11,354)	(8,500)
PRIOR SERVICE ENLISTMENT	2,718	2,900	2,900
REENLISTMENTS	42,270	37,116	37,090
RESERVES (USNR PRIOR SERVICE)	100	100	100
NAVY RESERVE (USNR NON-PRIOR SERVICE PROGRAM)	404	175	260
OFFICER CANDIDATE PROGRAMS	2,641	2,228	2,124
RETURNED FROM DROPPED FROM ROLLS	4,509	3,618	4,147
GAIN ADJUSTMENT	<u>15</u>	<u>0</u>	<u>0</u>
TOTAL GAINS	101,989	94,361	92,201
LOSSES			
ETS	16,667	19,138	18,629
NORMAL EARLY RELEASE	0	0	0
PROGRAMMED EARLY RELEASE	0	0	0
SEPARATIONS - VSI	0	0	0
SEPARATIONS - SSB	0	0	0
TO COMMISSIONED OFFICER	1,908	1,416	1,651
TO WARRANT OFFICER	262	200	237
REENLISTMENTS	42,270	37,116	37,090
RETIREMENTS	8,197	8,695	9,040
TERA	0	0	0
OTHER	0	0	0
DROPPED FROM ROLLS (DESERTERS)	2,567	2,259	2,393
ATTRITION (ADVERSE CAUSES)	10,149	11,103	9,629
ATTRITION (OTHER)	14,296	14,865	13,497
RESERVE COMPONENTS	1,413	911	460
OTHER LOSSES	0	0	0
LOSS ADJUSTMENTS	<u>130</u>	<u>0</u>	<u>0</u>
TOTAL LOSSES	97,859	95,703	92,626
END STRENGTH	319,601	318,259	317,834

GAINS AND LOSSES BY SOURCE AND TYPE

CADETS / MIDSHIPMEN

	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>
BEGIN STRENGTH	4,172	4,301	4,000
GAINS			
ENTERING MIDSHIPMEN	<u>1,235</u>	<u>1,235</u>	<u>1,235</u>
TOTAL GAINS	5,407	5,536	5,235
LOSSES			
ATTRITION	186	592	291
GRADUATES	<u>920</u>	<u>944</u>	<u>944</u>
TOTAL LOSSES	1,106	1,536	1,235
END STRENGTH	4,301	4,000	4,000

SUMMARY OF ENTITLEMENTS BY SUBACTIVITY
MILITARY PERSONNEL, NAVY
(IN THOUSANDS OF DOLLARS)

	FY 2001			FY 2002			FY 2003		
	OFFICERS	ENLISTED	TOTAL	OFFICERS	ENLISTED	TOTAL	OFFICERS	ENLISTED	TOTAL
1. BASIC PAY	2,636,777	6,445,775	9,082,552	2,768,376	7,012,343	9,780,719	2,887,210	7,434,536	10,321,746
2A. RETIRED PAY ACCRUAL	780,487	1,905,581	2,686,068	838,818	2,122,305	2,961,123	791,096	2,037,050	2,828,146
2B. DEFENSE HEALTH PROGRAM ACCRUAL	0	0	0	0	0	0	248,010	1,460,429	1,708,439
3. BASIC ALLOWANCE FOR HOUSING	626,313	1,628,838	2,255,151	682,457	1,880,947	2,563,404	730,451	2,075,003	2,805,454
A. WITH DEPENDENTS - DOMESTIC	417,588	1,156,797	1,574,385	458,913	1,334,539	1,793,452	497,564	1,498,997	1,996,561
B. WITHOUT DEPENDENTS - DOMESTIC	155,462	333,219	488,681	176,328	407,604	583,932	190,257	445,472	635,729
C. SUBSTANDARD FAMILY HOUSING - DOMESTIC	0	1,038	1,038	0	1,212	1,212	0	1,354	1,354
D. PARTIAL - DOMESTIC	145	8,842	8,987	138	8,740	8,878	137	8,427	8,564
E. WITH DEPENDENTS - OVERSEAS	35,450	72,432	107,882	30,908	76,110	107,018	27,897	71,322	99,219
F. WITHOUT DEPENDENTS - OVERSEAS	17,668	56,510	74,178	16,170	52,742	68,912	14,596	49,431	64,027
4. SUBSISTENCE	103,818	849,104	952,922	106,498	901,321	1,007,819	109,467	920,992	1,030,459
A. BASIC ALLOWANCE FOR SUBSISTENCE	103,818	533,816	637,634	106,498	562,008	668,506	109,467	573,757	683,224
1. AUTHORIZED TO MESS SEPARATELY	103,818	337,525	441,343	106,498	445,183	551,681	109,467	478,401	587,868
2. LEAVE RATIONS	0	62,229	62,229	0	11,017	11,017	0	0	0
3. RATIONS-IN-KIND NOT AVAILABLE	0	94,043	94,043	0	95,109	95,109	0	93,371	93,371
4. BAS II	0	0	0	0	0	0	0	1,774	1,774
5. AUGMENTATION FOR SEPARATE MEALS	0	275	275	0	194	194	0	211	211
6. PARTIAL BAS	0	39,744	39,744	0	10,505	10,505	0	0	0
B. SUBSISTENCE-IN-KIND	0	315,253	315,253	0	336,673	336,673	0	344,595	344,595
1. SUBSISTENCE IN MESSES	0	237,605	237,605	0	242,738	242,738	0	248,724	248,724
2. SPECIAL RATIONS	0	0	0	0	0	0	0	0	0
3. OPERATIONAL RATIONS	0	4,047	4,047	0	3,352	3,352	0	3,499	3,499
4. AUGMENTATION RATIONS	0	7,471	7,471	0	7,077	7,077	0	7,361	7,361
5. OTHER PROGRAMS	0	66,130	66,130	0	83,506	83,506	0	85,011	85,011
C. FAMILY SUBSISTENCE SUPPLEMENTAL ALLOWANCE	0	35	35	0	2,640	2,640	0	2,640	2,640

(IN THOUSANDS OF DOLLARS)

	FY 2001			FY 2002			FY 2003		
	OFFICERS	ENLISTED	TOTAL	OFFICERS	ENLISTED	TOTAL	OFFICERS	ENLISTED	TOTAL
5. INCENTIVE PAY, HAZARDOUS DUTY, AND AVIATION CAREER	160,564	82,300	242,864	172,317	87,615	259,932	177,881	100,889	277,870
A. FLYING DUTY PAY	121,731	12,432	134,163	126,679	14,136	140,815	130,469	13,903	144,372
1. AVIATION CAREER, OFFICERS	71,383	0	71,383	76,870	0	76,870	76,870	0	76,870
2. CREW MEMBERS, ENLISTED	157	822	979	157	861	1,018	157	919	1,076
3. NONCREW MEMBER	36	153	189	36	153	189	36	155	191
4. AVIATION CONTINUATION PAY	50,155	0	50,155	49,616	0	49,616	53,406	0	53,406
5. CAREER ENLISTED FLYER PAY	0	11,457	11,457	0	13,122	13,122	0	12,829	12,829
B. SUBMARINE DUTY PAY	19,388	43,980	63,368	19,388	44,682	64,070	20,753	58,085	78,838
C. PARACHUTE JUMPING PAY	1,585	5,840	7,425	1,696	5,597	7,293	1,705	5,652	7,357
D. DEMOLITION PAY	1,438	5,036	6,474	1,550	4,885	6,435	1,550	4,934	6,484
E. OTHER PAYS	1,202	15,012	16,214	1,202	18,315	19,517	1,202	18,315	19,517
F. SPECIAL WARFARE OFFICER PAY (EXTEND ACTIVE DUTY)	1,820	0	1,820	2,100	0	2,100	2,500	0	2,500
G. SURFACE WARFARE OFFICER CONTINUATION PAY	13,400	0	13,400	19,702	0	19,702	19,702	0	19,702
6. SPECIAL PAYS	236,230	772,724	1,008,954	226,477	764,924	991,401	256,968	911,108	1,168,076
A. MEDICAL PAY	136,286	0	136,286	128,359	0	128,359	128,359	0	128,359
B. DENTAL PAY	32,662	0	32,662	30,037	0	30,037	30,037	0	30,037
C. OPTOMETRISTS PAY	155	0	155	185	0	185	245	0	245
D. VETERINARIANS PAY	0	0	0	0	0	0	0	0	0
E. BOARD CERTIFIED PAY FOR NON-PHYSICIAN HEALTH CARE PROVIDERS	1,372	0	1,372	1,536	0	1,536	1,555	0	1,555
F. NURSES PAY	1,573	0	1,573	2,138	0	2,138	1,985	0	1,985
G. NUCLEAR OFFICER INCENTIVE PAY	37,198	0	37,198	35,880	0	35,880	35,880	0	35,880
H. NUCLEAR ACCESSION BONUS	0	1,910	1,910	0	2,150	2,150	0	2,150	2,150
I. SCIENTIFIC/ENGINEERING BONUS	0	0	0	0	0	0	0	0	0
J. CEC ACCESSION BONUS	0	0	0	600	0	600	600	0	600
K. RESPONSIBILITY PAY	814	0	814	814	0	814	814	0	814
L. SEA AND FOREIGN DUTY, TOTAL	14,775	201,186	215,961	14,774	200,713	215,487	45,297	319,921	365,218
1. SEA DUTY	14,775	200,515	215,290	14,774	199,945	214,719	45,297	319,153	364,450
2. DUTY AT CERTAIN PLACES	0	0	0	0	0	0	0	0	0
3. OVERSEAS EXTENSION PAY	0	671	671	0	768	768	0	768	768
M. DIVING DUTY PAY	3,469	10,755	14,224	3,532	10,881	14,413	3,532	10,989	14,521

(IN THOUSANDS OF DOLLARS)

	FY 2001			FY 2002			FY 2003		
	OFFICERS	ENLISTED	TOTAL	OFFICERS	ENLISTED	TOTAL	OFFICERS	ENLISTED	TOTAL
N. FOREIGN LANGUAGE PROFICIENCY PAY	346	2,227	2,573	381	4,642	5,023	418	4,642	5,060
O. IMMINENT DANGER PAY	4,015	28,489	32,504	4,778	27,779	32,557	4,783	25,571	30,354
P. HARDSHIP DUTY PAY	979	7,120	8,099	1,463	8,033	9,496	1,463	8,033	9,496
Q. JUDGE ADVOCATE CONTINUATION PAY	2,586	0	2,586	2,000	0	2,000	2,000	0	2,000
R. REENLISTMENT BONUS	0	335,810	335,810	0	334,339	334,339	0	360,219	360,219
1. REGULAR	0	0	0	0	0	0	0	0	0
2. SELECTIVE	0	335,810	335,810	0	334,339	334,339	0	360,219	360,219
S. SPECIAL DUTY ASSIGNMENT PAY	0	61,808	61,808	0	59,935	59,935	0	59,935	59,935
T. ENLISTMENT BONUS	0	90,795	90,795	0	98,375	98,375	0	100,561	100,561
U. EDUCATIONAL BENEFITS AND LOAN REPAYMENT	0	32,624	32,624	0	18,077	18,077	0	18,087	18,087
V. DISTRIBUTION INCENTIVE PAY	0	0	0	0	0	0	0	1,000	1,000
7. ALLOWANCES	63,978	404,575	468,553	57,214	391,509	448,723	55,491	386,852	442,343
A. UNIFORM OR CLOTHING ALLOWANCES	2,258	188,322	190,580	2,104	192,749	194,853	2,141	189,840	191,981
1. INITIAL ISSUE	1,631	71,272	72,903	1,528	72,593	74,121	1,565	67,842	69,407
1. MILITARY	1,522	70,153	71,675	1,417	71,440	72,857	1,452	66,642	68,094
2. CIVILIAN	109	1,119	1,228	111	1,153	1,264	113	1,200	1,313
2. ADDITIONAL	627	0	627	576	2,000	2,576	576	2,000	2,576
3. BASIC MAINTENANCE	0	25,942	25,942	0	25,628	25,628	0	25,026	25,026
4. STANDARD MAINTENANCE	0	76,171	76,171	0	77,837	77,837	0	79,672	79,672
5. SUPPLEMENTARY	0	1,699	1,699	0	1,669	1,669	0	1,669	1,669
6. CIVILIAN CLOTHING MAINTENANCE	0	13,238	13,238	0	13,022	13,022	0	13,631	13,631
B. STATION ALLOWANCE OVERSEAS	56,304	183,531	239,835	49,068	166,747	215,815	47,022	161,329	208,351
1. COST-OF-LIVING	49,154	162,977	212,131	42,777	144,287	187,064	41,591	141,295	182,886
2. TEMPORARY LODGING	7,150	20,554	27,704	6,291	22,460	28,751	5,431	20,034	25,465
C. FAMILY SEPARATION ALLOWANCE	4,120	28,530	32,650	4,154	27,598	31,752	4,182	27,659	31,841
1. ON PCS, NO GOVERNMENT QUARTERS	556	1,989	2,545	590	1,509	2,099	618	1,570	2,188
2. ON PCS, DEPENDENTS NOT AUTHORIZED	276	4,442	4,718	276	4,502	4,778	276	4,502	4,778
3. AFLOAT	1,206	12,402	13,608	1,206	11,110	12,316	1,206	11,110	12,316
4. ON TDY	2,082	9,697	11,779	2,082	10,477	12,559	2,082	10,477	12,559
D. PERSONAL MONEY ALLOWANCE, GENERAL & FLAG OFFICERS	48	2	50	48	2	50	48	2	50

(IN THOUSANDS OF DOLLARS)

	FY 2001			FY 2002			FY 2003		
	OFFICERS	ENLISTED	TOTAL	OFFICERS	ENLISTED	TOTAL	OFFICERS	ENLISTED	TOTAL
E. CONUS COLA	1,248	4,190	5,438	1,840	4,413	6,253	2,098	8,022	10,120
8. SEPARATION PAYMENTS	27,878	99,942	127,820	57,923	186,365	244,288	59,069	213,869	272,938
A. TERMINAL LEAVE PAY	13,742	36,693	50,435	14,912	42,930	57,842	15,428	44,173	59,601
B. LUMP-SUM READJUSTMENT PAY	2,858	0	2,858	4,082	0	4,082	4,187	0	4,187
C. DONATIONS	0	0	0	0	0	0	0	0	0
D. SEVERANCE PAY, DISABILITY	2,457	30,556	33,013	3,200	36,864	40,064	3,038	43,623	46,661
E. SEVERANCE PAY, NONPROMOTION	7,061	0	7,061	11,864	0	11,864	8,056	0	8,056
F. SEVERANCE PAY, INVOL HALF (5%)	0	6,173	6,173	0	7,447	7,447	0	8,813	8,813
G. SEVERANCE PAY, INVOL FULL (10%)	0	4,210	4,210	0	5,079	5,079	0	6,010	6,010
H. SEVERANCE PAY, VSI	0	1,200	1,200	0	4,400	4,400	0	4,200	4,200
I. SEVERANCE PAY, SSB	0	0	0	0	0	0	0	0	0
J. DISCHARGE GRATUITY	0	10	10	0	10	10	0	10	10
K. 15-YEAR TEMPORARY EARLY RETIREMENT	0	0	0	0	0	0	0	0	0
L. \$30,000 LUMP SUM BONUS	1,760	21,100	22,860	23,865	89,635	113,500	28,360	107,040	135,400
9. SOCIAL SECURITY TAX PAYMENT	200,305	488,102	688,407	210,301	531,447	741,748	219,838	563,249	783,087
10. PERMANENT CHANGE OF STATION TRAVEL	202,673	457,327	660,000	197,368	460,577	657,945	221,041	507,974	729,015
11. OTHER MILITARY PERSONNEL COSTS	2,492	58,149	60,641	4,659	65,312	69,971	5,218	72,698	77,916
A. APPREHENSION OF DESERTERS	0	698	698	0	812	812	0	825	825
B. INTEREST ON UNIFORMED SERVICES SAVINGS DEPOSITS (MIA)	75	113	188	82	124	206	84	125	209
C. DEATH GRATUITIES	246	1,152	1,398	252	1,188	1,440	252	1,218	1,470
D. UNEMPLOYMENT COMPENSATION	0	42,826	42,826	0	44,085	44,085	0	50,858	50,858
E. SURVIVOR BENEFITS	568	2,589	3,157	513	2,337	2,850	495	2,253	2,748
F. EDUCATION BENEFITS	0	6,773	6,773	0	8,009	8,009	0	6,746	6,746
G. ADOPTION EXPENSES	124	83	207	139	93	232	142	94	236
H. SPECIAL COMPENSATION	951	3,185	4,136	1,828	6,118	7,946	2,400	8,033	10,433
I. TRANSPORTATION SUBSIDY	528	730	1,258	1,845	2,546	4,391	1,845	2,546	4,391
12. CADETS/MIDSHIPMEN	42,791	0	42,791	45,417	0	45,417	47,294	0	47,294
MILITARY PERSONNEL NAVY TOTAL	5,084,306	13,192,417	18,276,723	5,367,825	14,404,665	19,772,490	5,809,034	16,684,649	22,493,683
13. LESS REIMBURSABLES:	123,208	111,758	234,966	116,195	105,611	221,806	199,566	199,716	399,282
RETIRED PAY ACCRUAL	21,340	11,603	32,943	22,255	9,724	31,979	38,650	26,857	65,507
OTHER	101,868	100,155	202,023	93,340	95,887	189,827	160,916	172,859	333,775
MILITARY PERSONNEL NAVY TOTAL, DIRECT	4,961,098	13,080,659	18,041,757	5,251,630	14,299,054	19,550,684	5,609,468	16,484,933	22,094,401

ANALYSIS OF APPROPRIATION CHANGES
MILITARY PERSONNEL, NAVY
FY 2002
(IN THOUSANDS OF DOLLARS)

	AMENDED FY 2002 PRESIDENT'S BUDGET	CONGRES- SIONAL ACTION	APPROP.	INTERNAL REALIGN / REPROG.	SUBTOTAL	OTHER PRICE / PROGRAM CHANGES	FY 2002 COL FY 2003 PRESIDENT'S BUDGET
PAY AND ALLOWANCES OF OFFICERS							
BASIC PAY	2,699,494	-2,946	2,696,548	3,073	2,699,621	0	2,699,621
RETIRED PAY ACCRUAL	817,872	-897	816,975	-412	816,563	0	816,563
INCENTIVE PAY	177,748		177,748	-5,431	172,317	0	172,317
SPECIAL PAY	233,097	1,078	234,175	-7,650	226,525	0	226,525
BASIC ALLOWANCE FOR HOUSING	649,849		649,849	-29,750	620,099	0	620,099
BASIC ALLOWANCE FOR SUBSISTENCE	102,438	183	102,621	47,791	150,412	0	150,412
STATION ALLOWANCES OVERSEAS	49,068		49,068	0	49,068	0	49,068
CONUS COLA	1,840		1,840	0	1,840	0	1,840
UNIFORM ALLOWANCES	2,195		2,195	-91	2,104	0	2,104
FAMILY SEPARATION ALLOWANCES	3,934		3,934	220	4,154	0	4,154
SEPARATION PAYMENTS	67,735	-3,135	64,600	-6,677	57,923	0	57,923
SOCIAL SECURITY TAX - EMPLOYER'S CONTRIBUTION	205,317	-222	205,095	-135	204,960	0	204,960
REIMBURSABLES	124,907		124,907	-10,112	114,795	0	114,795
TOTAL OBLIGATIONS	5,135,494	-5,939	5,129,555	-9,174	5,120,381	0	5,120,381
LESS REIMBURSEMENTS	124,907		124,907	-10,112	114,795	0	114,795
TOTAL DIRECT OBLIGATIONS	5,010,587	-5,939	5,004,648	938	5,005,586	0	5,005,586

(IN THOUSANDS OF DOLLARS)

	AMENDED FY 2002 PRESIDENT'S BUDGET	CONGRES- SIONAL ACTION	APPROP.	INTERNAL REALIGN / REPROG.	SUBTOTAL	OTHER PRICE / PROGRAM CHANGES	FY 2002 COL FY 2003 PRESIDENT'S BUDGET
PAY AND ALLOWANCES OF ENLISTED PERSONNEL							
BASIC PAY	7,011,643	-4,084	7,007,559	-33,143	6,974,416	0	6,974,416
RETIRED PAY ACCRUAL	2,124,705	-1,248	2,123,457	-10,876	2,112,581	0	2,112,581
INCENTIVE PAY	89,291		89,291	-1,676	87,615	0	87,615
SPECIAL PAY	252,221	2,979	255,200	-1,000	254,200	0	254,200
SPECIAL DUTY ASSIGNMENT PAY	59,935		59,935	0	59,935	0	59,935
REENLISTMENT BONUS	298,921		298,921	35,418	334,339	0	334,339
ENLISTMENT BONUS	108,375		108,375	-10,000	98,375	0	98,375
NAVY COLLEGE FUND	17,977		17,977	0	17,977	0	17,977
LOAN REPAYMENT PROGRAM	100		100	0	100	0	100
BASIC ALLOWANCE FOR HOUSING	1,832,992	-400	1,832,592	40,281	1,872,873	0	1,872,873
STATION ALLOWANCES OVERSEAS	167,147	-400	166,747	0	166,747	0	166,747
CONUS COLA	4,413		4,413	0	4,413	0	4,413
CLOTHING ALLOWANCES	186,411		186,411	6,338	192,749	0	192,749
FAMILY SEPARATION ALLOWANCES	27,598		27,598	0	27,598	0	27,598
SEPARATION PAYMENTS	229,464	-15,465	213,999	-27,634	\$186,365	0	186,365
SOCIAL SECURITY TAX - EMPLOYER'S CONTRIBUTION	531,557	-310	531,247	-2,909	528,648	0	528,648
REIMBURSABLES	65,390		65,390	-6,866	58,524	0	58,524
TOTAL OBLIGATIONS	13,008,140	-18,928	12,989,212	-11,757	12,977,455	0	12,977,455
LESS REIMBURSEMENTS	65,390		65,390	-6,866	58,524	0	58,524
TOTAL DIRECT OBLIGATIONS	12,942,750	-18,928	12,923,822	-4,891	12,918,931	0	12,918,931
PAY AND ALLOWANCES OF MIDSHIPMEN							
MIDSHIPMEN	44,156	0	44,156	1,261	45,417	0	45,417
TOTAL OBLIGATIONS	44,156	0	44,156	1,261	45,417	0	45,417
LESS REIMBURSABLES							
TOTAL DIRECT OBLIGATION	44,156	0	44,156	1,261	45,417	0	45,417

(IN THOUSANDS OF DOLLARS)

	AMENDED FY 2002 PRESIDENT'S BUDGET	CONGRES- SIONAL ACTION	APPROP.	INTERNAL REALIGN / REPROG.	SUBTOTAL	OTHER PRICE / PROGRAM CHANGES	FY 2002 COL FY 2003 PRESIDENT'S BUDGET
SUBSISTENCE OF ENLISTED PERSONNEL							
BASIC ALLOW FOR SUBSISTENCE	553,456	967	554,423	3,919	558,342	0	558,342
SUBSISTENCE-IN-KIND	294,688		294,688	664	295,352	0	295,352
FSSA	2,640		2,640	0	2,640	0	2,640
REIMBURSABLES	44,187		44,187	800	44,987	0	44,987
TOTAL OBLIGATIONS	894,971	967	895,938	5,383	901,321	0	901,321
LESS REIMBURSABLES	44,187		44,187	800	44,987	0	44,987
TOTAL DIRECT OBLIGATION	850,784	967	851,751	4,583	856,334	0	856,334
PERMANENT CHANGE OF STATION TRAVEL							
ACCESSION TRAVEL	57,995	-3,441	54,554	6,652	61,206	0	61,206
TRAINING TRAVEL	54,827	-10,335	44,492	5,862	50,354	0	50,354
OPERATIONAL TRAVEL	164,677	-16,224	148,453	2,016	150,469	0	150,469
ROTATIONAL TRAVEL	258,533		258,533	-22,353	236,180	0	236,180
SEPARATION TRAVEL	106,049		106,049	1,961	108,010	0	108,010
TRAVEL OF ORGANIZED UNITS	18,720		18,720	107	18,827	0	18,827
IPCOT/OTEIP	7,140		7,140	-1,443	5,697	0	5,697
NON-TEMPORARY STORAGE	11,402		11,402	-9,959	1,443	0	1,443
TEMPORARY LODGING EXPENSE	6,964		6,964	3,956	10,920	0	10,920
REIMBURSABLES	3,500		3,500		3,500	0	3,500
TOTAL OBLIGATIONS	689,807	-30,000	659,807	-1,862	657,945	0	657,945
LESS REIMBURSABLES	3,500		3,500		3,500	0	3,500
TOTAL DIRECT OBLIG	686,307	-30,000	\$656,307	-1,862	\$654,445	0	654,445

(IN THOUSANDS OF DOLLARS)

	AMENDED FY 2002 PRESIDENT'S BUDGET	CONGRES- SIONAL ACTION	APPROP.	INTERNAL REALIGN / REPROG.	SUBTOTAL	OTHER PRICE / PROGRAM CHANGES	FY 2002 COL FY 2003 PRESIDENT'S BUDGET
OTHER MILITARY PERSONNEL COSTS							
APPREHENSION OF MILITARY							
DESERTERS							
ABSENTEES & ESCAPED MIL							
PRISONERS	812		812		812	0	812
INTEREST ON SAVINGS	206		206		206	0	206
DEATH GRATUITIES	1,314		1,314	126	1,440	0	1,440
UNEMPLOYMENT COMPENSATION	44,085	-2,400	41,685	2,400	44,085	0	44,085
SURVIVORS' BENEFITS	2,366		2,366	484	2,850	0	2,850
EDUCATION BENEFITS	7,866		7,866	143	8,009	0	8,009
TRANSPORTATION SUBSIDY	9,573		9,573	-5,182	4,391	0	4,391
ADOPTION EXPENSES	232		232		232	0	232
SPECIAL COMPENSATION FOR							
SEVERELY DISABLED	5,946		5,946	2,000	7,946	0	7,946
REIMBURSABLES							
TOTAL OBLIGATIONS	72,400	-2,400	70,000	-29	69,971	0	69,971
LESS REIMBURSABLES							
TOTAL DIRECT OBLIGATIONS	72,400	-2,400	70,000	-29	69,971	0	69,971
TOTAL DIRECT OBLIGATIONS	19,606,984	-56,300	19,550,684		19,550,684	0	19,550,684

MILITARY PERSONNEL, NAVY
SCHEDULE OF INCREASES AND DECREASES
(IN THOUSAND OF DOLLARS)

	AMOUNT
FY 2002 DIRECT PROGRAM	\$19,550,684
INCREASES	
BASIC PAY	410,063
ANNUALIZATION OF FY 2002 PAY RAISE	107,934
FY 2003 PAY RAISE 4.1%	266,197
RESULT OF DECREASE IN WORKYEARS	-32,789
INCREASE DUE TO CHANGE IN PAYGRADE MIX	68,721
DEFENSE HEALTH PROGRAM	
IMPLEMENTATION OF DEFENSE HEALTH PROGRAM	1,708,439
INCENTIVE PAY	18,838
INCREASE IN AVIATION CONTINUATION PAY	
RATES	379
NUMBER	3,411
DECREASE IN FLYING DUTY DUE TO GATE MIX	-233
INCREASE IN SUBMARINE PAY	
NUMBER	14,386
RATE	382
INCREASE IN NUMBER ENTITLED TO PARACHUTE JUMPING	
NUMBER	55
RATE	9
INCREASE IN DEMOLITION DUTY PAY NUMBER ENTITLED	49
INCREASE IN SPECIAL WARFARE INCENTIVE PAY	
NUMBER	455
RATE	-55

INCREASES (CONTINUED)

SPECIAL PAY		148,599
INCREASE IN NUMBER ENTITLED TO PHARMACY ACCESSION BONUS	60	
DECREASE IN NURSE INCENTIVE PAY		
NUMBER	-249	
RATE	21	
DECREASE IN IMMINENT DANGER PAY	-2,203	
IMPLEMENT CAREER SEA PAY REFORM	149,731	
INCREASE IN LINGUIST PAY		
NUMBER	38	
RATE	-1	
INCREASE IN PSYCH DIPLOMATE/NON-PHYSICIAN PAY		
NUMBER	-350	
RATE	369	
INCREASE FOR DISTRIBUTION INCENTIVE PAY	1,000	
INCREASE IN NURSE ACCESSION PAY DUE TO NUMBER ENTITLED	75	
INCREASE IN DIVING DUTY PAY		
NUMBER	545	
RATE	-437	
REENLISTMENT BONUS		25,880
INCREASE IN ANNIVERSARY PAYMENT LEVELS		
NUMBER	27,296	
RATE	-3,416	
INCREASE IN DISTRIBUTION SRB	2,000	
CHANGE IN NEW PAYMENTS		
NUMBER	6,632	
RATES	-6,632	
ENLISTMENT BONUS		2,186
DECREASE IN NUMBER ENTITLED TO RESIDUAL PAYMENTS	-774	
INCREASE IN NUMBER ENTITLED TO NEW PAYMENTS	2,960	

INCREASES (CONTINUED)

EDUCATIONAL BENEFITS		10
INCREASE IN 30K PROGRAM		
NUMBER	587	
RATE	-1,652	
INCREASE IN 40K PROGRAM		
NUMBER	5,190	
RATE	-1,828	
DECREASE IN 50K PROGRAM		
NUMBER	-1,808	
RATE	-357	
ELIMINATION OF 25K PROGRAM	-122	
BASIC ALLOWANCE FOR HOUSING (BAH)		240,155
ANNUALIZATION OF FY 2002 HOUSING RATE GROWTH	48,852	
FY 2003 HOUSING RATE GROWTH 3.9%	147,286	
INCREASE IN WORKYEARS	4,086	
INCREASED HOUSING AVAILABLE DUE TO EXPANSION OF PPV	39,932	
INCREASE FOR E-4S AND BELOW WHILE ON PCS ORDERS	11,500	
INCREASE IN PAYGRADE MIX	1,183	
DECREASE IN NUMBER ENTITLED TO OVERSEAS HOUSING ALLOWANCE	-1,991	
DECREASE IN OVERSEAS HOUSING DUE TO MORE FAVORABLE FOREIGN CURRENCY RATES	-10,693	
BASIC SUBSISTENCE		23,379
INCREASE DUE TO INFLATION OF MIDSHIPMEN BAS DAILY RATE	212	
DECREASE IN WORKYEARS	-386	
1 JAN 2002 BAS 3.7% ANNUALIZATION	7,828	
1 JAN 2003 BAS 3% USDA INFLATION	20,007	
INCREASE IN BAS WORKYEARS DUE TO BAS REFORM	93,210	
INCREASE IN BDFA RATES DUE TO CHANGE IN FOOD PRICES AND INFLATION	7,127	
INCREASE IN SURVEYS/SPOILAGE DUE TO HIGHER RECEIPTS WITH CHARGE	139	
INCREASE IN AUGMENTATION RATIONS DAILY RATE	417	
INCREASE IN SALE OF MEAL RATE/BDFA COST OF FOOD VARIANCE	1,431	
INCREASE DUE TO IMPLEMENTATION OF BAS II	1,774	
INCREASE IN CONTRACT MESSES, HOSPITAL AND MILITARY SEALIFT COMMAND DUE TO DAILY RATE	75	
INCREASE IN OPERATIONAL RATIONS DUE TO INFLATION	147	
DECREASE IN SIK WORKYEARS	-1,289	

INCREASES (CONTINUED)

DECREASE DUE TO BAS COLLECTIONS (BAS REFORM)	-96,683	
DECREASE DUE TO DISCONTINUATION OF BAS PARTIAL (BAS REFORM)	-10,505	
DECREASE DUE TO CHANGE IN INVENTORY	-125	
CONUS COLA		3,867
RATES	396	
NUMBER	3,471	
FAMILY SEPARATION ALLOWANCE		89
ANNUALIZATION OF FY 2002 PAY RAISE	24	
FY 2003 PAY RAISE 4.1%	65	
SEPARATION PAYMENTS		28,650
ANNUALIZATION OF FY 2002 PAY RAISE	868	
FY 2003 PAY RAISE 4.1%	2,583	
INCREASE IN RESERVISTS RATE	105	
DECREASE IN FAIL TO PROMOTE RATE		
NUMBER	-2,724	
RATE	-1,084	
INCREASE IN SEVERANCE PAY NON DISABILITY		
NUMBER	1,617	
RATE	680	
INCREASE IN DISABILITY SEVERANCE PAY		
NUMBER	4,439	
RATE	2,158	
DECREASE IN LUMP SUM PAYMENTS NUMBER	-1,692	
INCREASE IN \$30,000 LUMP SUM BONUS	21,900	
DECREASE IN VOLUNTARY SEPARATION BASED ON LATEST VETERANS		
ADMINISTRATION DATA	-200	
FICA		31,238
ANNUALIZATION OF FY 2002 PAY RAISE	8,457	
FY 2003 PAY RAISE 4.1%	20,472	
INCREASE IN FICA CEILING FROM \$84,900 IN FY 2002 TO \$89,100 IN FY 2003	46	
RESULT OF DECREASE IN WORKYEARS	-2,393	
INCREASE DUE TO CHANGE IN PAYGRADE MIX	4,656	

INCREASES (CONTINUED)

USNA NUCLEAR BONUS		150
INCREASE IN NUMBER OF BONUSES	150	
PERMANENT CHANGE OF STATION		71,070
ADDITIONAL PLANNED OFFICER ACCESSION AND MIDSHIPMAN SEPARATION MOVES AND OFFICERS AND ENLISTED TRAINING, OPERATIONAL AND ROTATIONAL MOVES	56,945	
INCREASED COST OF COMMERCIALLY PROCURED SERVICES DUE TO 1.3% PROJECTED INFLATION	4,871	
ANNUALIZATION OF FY 2002 PAY RAISE	1,529	
FY 2003 PAY RAISE OF 4.1%	2,773	
NDAA: MINIMUM PER DIEM UPON PCS TRAVEL	7,300	
NDAA: TEMPORARY LODGING EXPENSE INCREASE	1,836	
NDAA: INCREASED WEIGHT ALLOWANCE FOR JUNIOR ENLISTED	4,800	
NDAA: DISLOCATION ALLOWANCE TO FIRST DUTY STATION AND MEMBERS MARRIED TO OTHER MEMBERS	316	
DECREASE DUE TO FEWER ENLISTED AND MIDSHIPMEN ACCESSION AND OFFICER AND ENLISTED SEPARATION MOVES	-7,631	
DECREASED COST OF INDUSTRIALLY FUNDED SERVICES DUE TO PROJECTED INFLATION	-1,669	
APPREHENSION OF MILITARY DESERTERS, ABSENTEES, AND ESCAPED MILITARY PRISONERS		13
INCREASE DUE TO INFLATION	13	
INTEREST ON SAVINGS DEPOSIT		3
INCREASE DUE TO INFLATION	3	
DEATH GRATUITIES		30
PROJECTION BASED ON FY 2001 DATA	30	
UNEMPLOYMENT COMPENSATION		6,773
INCREASE IN NUMBER OF MEMBERS ENTITLED	5,228	
INCREASE IN DEPARTMENT OF LABOR RATE	1,545	
ADOPTION EXPENSES		4
INFLATION DUE TO INFLATION	4	

INCREASES (CONTINUED)

SPECIAL COMPENSATION FOR SEVERELY DISABLED		2,487	
INCREASE IN DEPARTMENT OF VETERANS AFFAIRS ESTIMATE	2,487		
TOTAL INCREASES			2,721,923

DECREASES

RETIRED PAY ACCRUAL		-166,505	
ANNUALIZATION OF FY 2002 PAY RAISE	31,028		
FY 2003 PAY RAISE 4.1%	75,435		
DECREASE IN THE NORMAL COST PERCENTAGE FROM 30.3% IN			
FY 2002 TO 27.4% IN FY 2003	-283,641		
DECREASE IN WORKYEARS	-9,926		
INCREASE DUE TO CHANGE IN PAYGRADE MIX	20,599		
OVERSEAS STATION ALLOWANCE		-7,464	
DECREASE IN TEMPORARY LODGING ALLOWANCE	-3,286		
DECREASE IN FOREIGN CURRENCY RATES	-2,554		
DECREASE IN NUMBER ENTITLED TO COLA	-1,624		
CLOTHING ALLOWANCES		-2,872	
DECREASE IN REPLACEMENT CLOTHING			
NUMBER	-6,209		
RATE	1,458		
INCREASE IN CIVILIAN CLOTHING RATE DUE TO INFLATION OF 1.3%	2		
DECREASE TO INITIAL CLOTHING			
NUMBER	-138		
RATE	2,015		
SURVIVORS' BENEFITS		-102	
DECREASE IN DEPARTMENT OF VETERANS AFFAIRS ESTIMATE	-102		
EDUCATION BENEFITS			
DECREASE IN DEPARTMENT OF DEFENSE BOARD OF ACTUARIES ESTIMATE		-1,263	

TOTAL DECREASES			-178,206
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FY 2003 DIRECT PROGRAM			\$22,094,401
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PAY AND ALLOWANCES OF OFFICER PERSONNEL
SCHEDULE OF INCREASES AND DECREASES
(IN THOUSANDS OF DOLLARS)

		<u>AMOUNT</u>
FY 2002 DIRECT PROGRAM		\$5,005,586
INCREASES		
BASIC PAY		46,530
ANNUALIZATION OF FY 2002 PAY RAISE	11,633	
FY 2003 PAY RAISE ACTIONS (4.1% AND TARGETED)	41,255	
RESULT OF DECREASE IN WORKYEARS	-11,465	
INCREASE DUE TO CHANGE IN PAYGRADE MIX	5,107	
DEFENSE HEALTH PROGRAM ACCRUAL		248,010
IMPLEMENTATION OF DEFENSE HEALTH PROGRAM ACCRUAL FOR MEDICARE-ELIGIBLE RETIREES	248,010	
INCENTIVE PAY		5,564
INCREASE IN AVIATION CONTINUATION PAY RATES (+379) AND NUMBER (+3,411)	3,790	
INCREASE IN NUMBER ENTITLED TO SUBMARINE DUTY	1,365	
INCREASE IN RATE PAID FOR PARACHUTE JUMPING	9	
INCREASE IN SPECIAL WARFARE INCENTIVE PAY NUMBER(+455) AND DECREASE IN COMPOSITE RATE (-55)	400	
SPECIAL PAY		30,491
INCREASE IN NUMBER ENTITLED TO PHARMACY ACCESSION BONUS	60	
DECREASE IN NURSE INCENTIVE PAY DUE TO NUMBER (-249) AND INCREASE IN RATE (+21)	-228	
IMPLEMENT CAREER SEA PAY REFORM	30,523	
INCREASE IN NUMBER ENTITLED TO LINGUIST PAY (+38) AND DECREASE IN RATE (-1)	37	
DECREASE IN PSYCH DIPLOMATE/NON PHYSICIAN PAY NUMBER(-350) AND INCREASE IN RATE (+369)	19	
INCREASE IN NURSE ACCESSION PAY DUE TO NUMBER	75	
INCREASE IN NUMBER ENTITLED TO IMMINENT DANGER PAY	5	
BASIC ALLOWANCE FOR HOUSING (BAH)		42,207
ANNUALIZATION FOR FY 2002 HOUSING RATE GROWTH	11,887	
FY 2003 HOUSING RATE GROWTH 3.9%	36,388	
DECREASE IN WORKYEARS	-1,137	
DECREASE DUE TO CHANGE IN PAYGRADE MIX	-346	
DECREASE IN OVERSEAS HOUSING DUE TO DECREASE IN NUMBER (-1,991) AND RATE (-2,594)	-4,585	

(IN THOUSANDS OF DOLLARS)

BASIC ALLOWANCE FOR SUBSISTENCE (BAS)		3,670
ANNUALIZATION OF FY 2002 3.7% INCREASE	932	
FY 2003 3.0% INCREASE	3,122	
DECREASE IN WORKYEARS	-384	
CONUS COLA		258
INCREASE DUE TO CHANGE IN LOCATION RATES (+82) NUMBER (+176)	258	
UNIFORM ALLOWANCE		37
INCREASE IN CIVILIAN RATE DUE TO INFLATION OF 1.3%	2	
INCREASE IN NUMBER OF INITIAL PAYMENTS	35	
FAMILY SEPARATION ALLOWANCE		28
ANNUALIZATION OF FY 2002 PAY RAISE	7	
FY 2003 PAY RAISE ACTIONS (4.1% AND TARGETED)	21	
SEPARATION PAYMENTS		1,146
ANNUALIZATION OF FY 2002 PAY RAISE	167	
FY 2003 PAY RAISE ACTIONS (4.1% AND TARGETED)	501	
INCREASE IN \$30,000 LUMP SUM BONUS	4,495	
INCREASE TO RESERVISTS RATE	105	
DECREASE FAIL TO PROMOTE RATE (-1,084) AND NUMBER (-2,724)	-3,808	
DECREASE SEVERANCE PAY DISABILITY NUMBER (-296) AND INCREASE RATE (+134)	-162	
DECREASE IN LUMP SUM PAYMENTS NUMBER	-152	
FICA		4,052
ANNUALIZATION OF FY 2002 PAY RAISE	1,096	
FY 2003 PAY RAISE ACTIONS (4.1% AND TARGETED)	3,283	
INCREASE IN FICA CEILING FROM 84,900 IN FY 2002 TO 89,100 IN FY 2003	46	
DECREASE IN WORKYEARS	-761	
INCREASE DUE TO CHANGE IN PAYGRADE MIX	388	
TOTAL INCREASES		381,993

(IN THOUSANDS OF DOLLARS)

DECREASES

RETIRE PAY ACCRUAL		-64,117
ANNUALIZATION OF FY 2002 PAY RAISE	4,557	
FY 2003 PAY RAISE ACTIONS (4.1% AND TARGETED)	13,669	
DECREASE IN THE NORMAL COST PERCENTAGE FROM 30.3 IN FY 2002 TO 27.4 IN FY 2003	-80,283	
DECREASE IN WORKYEARS	-3,474	
INCREASE DUE TO CHANGE IN PAYGRADE MIX	1,414	
OVERSEAS STATION ALLOWANCE		-2,046
DECREASE IN TEMPORARY LODGING ALLOWANCE	-860	
DECREASE IN COLA RATE (-930) AND NUMBER (-256)	-1,186	
TOTAL DECREASES		-66,163

FY 2003 DIRECT PROGRAM	\$5,321,416
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(IN THOUSANDS OF DOLLARS)

PROJECT: 1-A BASIC PAY

FY 2003	ESTIMATE	\$2,887,210
FY 2002	ESTIMATE	\$2,768,376
FY 2001	ACTUAL	\$2,636,777

PART I - PURPOSE AND SCOPE

FUNDS REQUESTED PROVIDE BASIC COMPENSATION FOR OFFICERS ON ACTIVE DUTY ACCORDING TO RANK AND LENGTH OF SERVICE UNDER PROVISIONS OF (37 U.S.C.201, 203, 204, 205, AND P.L. 97-37). THE ESTIMATE EXCLUDES THOSE OFFICERS ON ACTIVE DUTY AT THE SEAT OF GOVERNMENT AND AT HEADQUARTERS RESPONSIBLE FOR RESERVE AFFAIRS (10 U.S.C. 12301) AND THOSE OFFICERS OF THE RESERVE COMPONENT ON ACTIVE DUTY SERVING IN CONNECTION WITH THE ORGANIZING, ADMINISTERING, RECRUITING, INSTRUCTING, AND TRAINING OF THE RESERVE COMPONENTS (10 U.S.C. 12301).

PART II - JUSTIFICATION OF FUNDS REQUESTED

THE FY 2002 OFFICER PROGRAM IS BASED ON A END STRENGTH OF 53,741 AND 53,825 WORKYEARS. FY 2003 IS BASED ON AN END STRENGTH OF 53,866 AND 53,625 WORKYEARS. COSTS ARE CALCULATED ON THE BASIS OF GRADE DISTRIBUTION AND AVERAGE RATES EXPERIENCED. EFFECTIVE 01 JANUARY 2002 A MINIMUM PAY RAISE OF 5.0% IS BUDGETED FOR ALL GRADES WITH SELECTED INCREASES AVERAGING UP TO 10% FOR CERTAIN TARGETED PAY GRADES. A 4.1% PAY RAISE IS EFFECTIVE 01 JANUARY 2003 WITH OPTIONAL TARGETED PAY RAISES FOR SOME OFFICERS.

COMPUTATION OF FUND REQUIREMENTS IS PROVIDED IN THE FOLLOWING TABLE:

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
ADMIRAL (CNO)	1	\$132,507.80	\$133	1	\$132,745.35	\$133	1	\$133,022.95	\$133
ADMIRAL	7	132,507.80	928	7	132,745.35	929	7	133,022.95	931
VICE ADMIRAL	25	123,207.84	3,080	25	127,318.04	3,183	25	129,423.54	3,236
REAR ADMIRAL (UH)	77	111,602.31	8,593	77	116,337.70	8,958	77	121,040.69	9,320
REAR ADMIRAL (LH)	108	98,836.69	10,674	108	103,012.13	11,125	108	107,222.30	11,580
CAPTAIN	3,359	83,480.28	280,410	3,355	86,988.12	291,845	3,365	90,491.09	304,503
COMMANDER	7,008	67,207.50	470,990	7,041	69,970.45	492,662	7,040	72,771.43	512,311
LIEUTENANT COMMANDER	10,346	55,491.87	574,119	10,439	58,389.19	609,525	10,487	61,236.60	642,188
LIEUTENANT	16,932	45,391.89	768,575	16,555	47,684.95	789,424	16,079	50,084.47	805,308
LIEUTENANT (JG)	6,574	36,680.02	241,134	6,997	38,204.60	267,318	7,742	39,730.20	307,591
ENSIGN	7,451	27,613.99	205,752	7,561	28,731.06	217,236	7,042	29,889.79	210,484
WARRANT OFFICER W-4	375	53,744.98	20,154	345	57,028.22	19,675	352	59,668.77	21,003
WARRANT OFFICER W-3	387	45,223.99	17,502	392	48,121.23	18,864	410	50,408.67	20,668
WARRANT OFFICER W-2	912	38,084.86	34,733	922	40,671.25	37,499	890	42,644.67	37,954
WARRANT OFFICER W-1	0	0.00	0	0	0.00	0	0	0.00	0
TOTAL 1-A	<u>53,562</u>		<u>\$2,636,777</u>	<u>53,825</u>		<u>\$2,768,376</u>	<u>53,625</u>		<u>\$2,887,210</u>

(IN THOUSANDS OF DOLLARS)

PROJECT: 1-B RETIRED PAY ACCRUAL

FY 2003	ESTIMATE	\$791,096
FY 2002	ESTIMATE	\$838,818
FY 2001	ACTUAL	\$780,487

PART I – PURPOSE AND SCOPE

FUNDS REQUESTED PROVIDE FOR THE DEPARTMENT OF DEFENSE'S CONTRIBUTION TO ITS MILITARY RETIREMENT FUND, IN ACCORDANCE WITH 10 U.S.C. 1466. ADDITIONALLY, FUNDS ARE BUDGETED TO SUPPORT MILITARY RETIREMENT REFORM WHICH CHANGES THE CURRENT RETIREMENT SYSTEM FROM 40 PERCENT OF THE AVERAGE OF HIGH 3 YEARS OF MONTHLY BASE PAY TO 50 PERCENT OF AVERAGE OF HIGH 3 WITH COLA ADJUSTMENTS USING MODIFIED CPI.

PART II – JUSTIFICATION OF FUNDS REQUESTED

THE BUDGETARY ESTIMATES ARE DERIVED AS A PRODUCT OF:

(A) NORMAL COST PERCENTAGE OF 29.6% IN FY 2001, 30.3% IN FY 2002 AND 27.4% IN FY 2003.

(B) THE TOTAL AMOUNT OF BASIC PAY EXPECTED TO BE PAID DURING THE FISCAL YEAR TO MEMBERS OF THE ARMED FORCES.

COMPUTATION OF FUND REQUIREMENTS IS PROVIDED IN THE FOLLOWING TABLE:

	FY 2001			FY 2002			FY 2003		
BASE PAY (1-A)			\$2,636,777			\$2,768,376			\$2,887,210
LESS FINES & FORFEITURES			0			0			0
BASE PAY SUBJECT TO RPA			\$2,636,777			\$2,768,376			\$2,887,210

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
RPA	<u>53,562</u>	\$14,571.65	<u>\$780,487</u>	<u>53,825</u>	\$15,584.17	<u>\$838,818</u>	<u>53,625</u>	\$14,752.37	<u>\$791,096</u>
TOTAL 1-B	<u>53,562</u>		<u>\$780,487</u>	<u>53,825</u>		<u>\$838,818</u>	<u>53,625</u>		<u>\$791,096</u>

(IN THOUSANDS OF DOLLARS)

PROJECT: 1-B-1 DEFENSE HEALTH PROGRAM ACCRUAL

FY 2003	ESTIMATE	\$248,010
FY 2002	ESTIMATE	\$0
FY 2001	ACTUAL	\$0

PART I - PURPOSE AND SCOPE

THE FUNDS WILL BE USED TO PAY THE HEALTH CARE ACCRUAL AMOUNT IN THE DEPARTMENT OF DEFENSE MEDICARE-ELIGIBLE RETIREE HEALTH CARE FUND FOR THE FUTURE MEDICARE-ELIGIBLE HEALTH CARE COSTS FOR CURRENT MILITARY PERSONNEL.

PART II - JUSTIFICATION OF FUNDS REQUESTED

THE BUDGETARY ESTIMATES ARE DERIVED AS A PRODUCT OF THE APPROVED ACTUARIAL RATE AND THE AVERAGE STRENGTH.

FUND REQUIREMENTS ARE PROVIDED IN THE FOLLOWING TABLE:

	<u>FY 2001</u> <u>AMOUNT</u>	<u>FY 2002</u> <u>AMOUNT</u>	<u>FY 2003</u> <u>AMOUNT</u>
DHPA	<u>\$0</u>	<u>\$0</u>	<u>\$248,010</u>
TOTAL 1-B-1	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$248,010</u></u>

(IN THOUSANDS OF DOLLARS)

PROJECT: 1-C INCENTIVE PAY FOR HAZARDOUS DUTY

FY 2003	ESTIMATE	\$177,881
FY 2002	ESTIMATE	\$172,317
FY 2001	ACTUAL	\$160,564

PART I - PURPOSE AND SCOPE

FUNDS REQUESTED PROVIDE PAYMENT TO OFFICERS FOR THE FOLLOWING TYPES OF DUTY (37 U.S.C. 301).

- (1)(A),(B),(C) FLYING DUTY AS CREW MEMBER INVOLVING FREQUENT AND REGULAR PERFORMANCE OF OPERATIONAL OR PROFICIENCY FLYING DUTY REQUIRED BY ORDERS. FREQUENT AND REGULAR PARTICIPATION IN AERIAL FLIGHTS AS A NON-CREW MEMBER.
- (D) DUTY INVOLVING OPERATIONAL FLYING IN WHICH AN AVIATOR IS PAID A RETENTION BONUS IN ADDITION TO ACIP FOR AGREEING TO REMAIN ON ACTIVE DUTY IN AVIATION SERVICE FOR AT LEAST ONE YEAR.
- (2) DUTY INVOLVING FREQUENT AND REGULAR PERFORMANCE OF OPERATIONAL SUBMARINE DUTY, RESTRICTED TO MEMBERS WHO HOLD OR ARE IN TRAINING FOR SUBMARINE DUTY DESIGNATOR AND REMAIN IN THE SUBMARINE SERVICE ON A CAREER BASIS.
- (3) DUTY INVOLVING PARACHUTE JUMPING AS AN ESSENTIAL PART OF MILITARY DUTY.
- (4) DUTY INSIDE A HIGH OR LOW PRESSURE CHAMBER; DUTY INVOLVING ACCELERATION OR DECELERATION EXPERIMENTS, OR THERMAL STRESS EXPERIMENTS.
- (5) DUTY INVOLVING THE DEMOLITION OF EXPLOSIVES AS A PRIMARY DUTY INCLUDING TRAINING FOR SUCH DUTY.
- (6) DUTY INVOLVING PARTICIPATION IN FLIGHT OPERATIONS ON SHIPS FROM WHICH AIRCRAFT ARE LAUNCHED.
- (7) DUTY INVOLVING EXPOSURE TO HIGHLY TOXIC FUELS, PESTICIDES OR LABORATORY WORK THAT UTILIZES LIVE, DANGEROUS VIRUSES OR BACTERIA.
- (8) CONTINUATION PAY FOR NAVAL SURFACE WARFARE OFFICERS WITH MORE THAN SIX AND LESS THAN FOURTEEN YEARS OF COMMISSIONED SERVICE.
- (9) CONTINUATION PAY FOR NAVAL SPECIAL WARFARE OFFICERS WITH MORE THAN SIX AND LESS THAN FOURTEEN YEARS OF COMMISSIONED SERVICE.

(IN THOUSANDS OF DOLLARS)

PART II - JUSTIFICATION OF FUNDS REQUESTED

HAZARDOUS DUTY PAY IS COMPUTED USING THE AVERAGE NUMBER OF OFFICERS ELIGIBLE FOR EACH TYPE OF PAYMENT. AVERAGE RATES FOR FLYING DUTY FOR CREW MEMBERS ARE BASED ON STATUTORY RATES CATEGORIZED BY YEARS OF AVIATION/COMMISSIONED SERVICE. AVIATION CAREER CONTINUATION PAY (ACCP) LONG TERM CONTRACTS COMPUTED AT NO GREATER THAN \$25,000 PER YEAR FOR PILOTS AND \$15,000 PER YEAR FOR NAVAL FLIGHT OFFICERS (NFOS) IF THE OFFICER AGREES TO REMAIN ON ACTIVE DUTY FOR 5 YEARS, WITH A 50% UP FRONT LUMP SUM PAYMENT OPTION. THE LUMP SUM OF \$67,500 FOR PILOTS AND \$37,500 FOR NFOS IS THE BASIS FOR ALL LONG TERM ACCP PAYMENTS. ALL SHORT TERM (3 YEARS OR LESS) PAYMENT PROJECTIONS ARE BASED ON \$15,000 PER YEAR FOR BOTH PILOTS AND NFOS WITH NO LUMP SUM OPTION. AVERAGE RATES FOR SUBMARINE DUTY ARE BASED ON STATUTORY RATES BY PAY GRADE WITHIN EACH LONGEVITY STEP. ALL OTHER HAZARDOUS DUTY IS COMPUTED AT THE STATUTORY RATE OF \$1,320 / \$1,800 PER ANNUM FOR EACH WORKYEAR, EXCEPT FOR THOSE OFFICERS WHO RECEIVE \$1,980 / \$2,700 PER YEAR FOR PERFORMING HIGH ALTITUDE / LOW OPENING PARACHUTE JUMPS. SPECIAL WARFARE CONTINUATION PAY NOT TO EXCEED \$15,000 PER YEAR. SURFACE WARFARE NOT TO EXCEED \$50,000 PER BONUS.

COMPUTATION OF FUND REQUIREMENTS IS PROVIDED IN THE FOLLOWING TABLE:

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
(1) FLYING DUTY									
(A)(1) COMMISSIONED OFFICERS									
MONTHLY RATE									
2 YEARS \$125 PER MONTH	1,809	\$1,500.00	\$2,714	1,902	\$1,500.00	\$2,853	1,902	\$1,500.00	\$2,853
2 - 3 YEARS \$156 PER MONTH	913	1,872.00	1,709	657	1,872.00	1,230	657	1,872.00	1,230
3 - 4 YEARS \$188 PER MONTH	1,018	2,256.00	2,297	1,152	2,256.00	2,599	1,152	2,256.00	2,599
4 - 6 YEARS \$206 PER MONTH	1,673	2,472.00	4,136	2,020	2,472.00	4,993	2,020	2,472.00	4,993
6 - 14 YEARS \$650 PER MONTH	4,137	7,800.00	32,269	4,467	7,800.00	34,843	4,467	7,800.00	34,843
14 - 22 YEARS \$840 PER MONTH	2,563	10,080.00	25,835	2,787	10,080.00	28,093	2,787	10,080.00	28,093
> 22 YEARS \$585 PER MONTH	131	7,020.00	920	125	7,020.00	878	125	7,020.00	878
> 23 YEARS \$495 PER MONTH	117	5,940.00	695	105	5,940.00	624	105	5,940.00	624
> 24 YEARS \$385 PER MONTH	99	4,620.00	457	93	4,620.00	430	93	4,620.00	430
> 25 YEARS \$250 PER MONTH	64	3,000.00	192	56	3,000.00	168	56	3,000.00	168
TOTAL (1)(A)(1)	12,524		71,224	13,364		76,711	13,364		76,711
(A)(2) WARRANT OFFICERS									
2 YEARS \$125 PER MONTH	4	1,500.00	6	4	1,500.00	6	4	1,500.00	6
2 - 3 YEARS \$156 PER MONTH	6	1,872.00	11	6	1,872.00	11	6	1,872.00	11
3 - 4 YEARS \$188 PER MONTH	2	2,256.00	5	2	2,256.00	5	2	2,256.00	5
4 - 6 YEARS \$206 PER MONTH	5	2,472.00	12	5	2,472.00	12	5	2,472.00	12
6 - 18 YEARS \$650 PER MONTH	16	7,800.00	125	16	7,800.00	125	16	7,800.00	125
TOTAL (1)(A)(2)	33		159	33		159	33		159
TOTAL (1)(A)	12,557		\$71,383	13,397		\$76,870	13,397		\$76,870

(IN THOUSANDS OF DOLLARS)

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
(B) CREW MEMBERS	69	\$2,280.90	\$157	69	\$2,280.90	\$157	69	\$2,280.90	\$157
(C) NON-CREW MEMBERS	20	1,800.00	36	20	1,800.00	36	20	1,800.00	36
(D) CONTINUATION PAY									
PILOTS	1,357	22,816.51	30,962	1,603	18,784.15	30,111	1,724	19,013.92	32,780
FLIGHT OFFICERS	<u>1,107</u>	<u>17,335.85</u>	<u>19,193</u>	<u>1,268</u>	<u>15,382.49</u>	<u>19,505</u>	<u>1,342</u>	<u>15,369.60</u>	<u>20,626</u>
TOTAL (1)(D)	2,464		50,155	2,871		49,616	3,066		53,406
TOTAL (1)			121,731			126,679			130,469
(2) SUBMARINE DUTY									
VICE ADMIRAL	1	4,273.00	4	1	4,273.00	4	2	4,273.00	9
REAR ADMIRAL (UH)	3	4,273.00	13	3	4,273.00	13	2	4,273.00	9
REAR ADMIRAL (LH)	5	4,273.00	21	5	4,273.00	21	4	4,273.00	17
CAPTAIN	198	7,135.00	1,413	198	7,135.00	1,413	236	7,135.00	1,684
COMMANDER	417	7,137.00	2,976	417	7,137.00	2,976	381	7,137.00	2,719
LIEUTENANT COMMANDER	425	7,150.00	3,039	425	7,150.00	3,039	573	7,150.00	4,097
LIEUTENANT	1,281	6,524.00	8,357	1,281	6,524.00	8,357	1,106	6,524.00	7,216
LIEUTENANT (JG)	566	3,068.00	1,736	566	3,068.00	1,736	808	3,068.00	2,479
ENSIGN	586	2,481.00	1,454	586	2,481.00	1,454	904	2,481.00	2,243
WARRANT OFFICER W-4	11	4,271.00	47	11	4,271.00	47	11	4,271.00	47
WARRANT OFFICER W-3	34	4,234.00	144	34	4,234.00	144	23	4,234.00	96
WARRANT OFFICER W-2	43	4,268.00	184	43	4,268.00	184	32	4,268.00	137
WARRANT OFFICER W-1	<u>0</u>	<u>0.00</u>	<u>0</u>	<u>0</u>	<u>0.00</u>	<u>0</u>	<u>0</u>	<u>0.00</u>	<u>0</u>
TOTAL (2)	3,570		19,388	3,570		19,388	4,082		20,753
(3) PARACHUTE JUMPING	884	1,793.54	1,585	895	1,894.97	1,696	895	1,905.03	1,705
(4) DUTY INSIDE A HIGH OR LOW PRESSURE CHAMBER, INSIDE OBSERVER, HUMAN ACCELERATION OR DECELERATION EXPERIMENTAL OBSERVER AND TEST SUBJECT IN THERMAL STRESS EXPERIMENTS	88	1,800.00	158	88	1,800.00	158	88	1,800.00	158
(5) DEMOLITION DUTY	799	\$1,800.00	\$1,438	861	\$1,800.00	\$1,550	861	\$1,800.00	\$1,550

(IN THOUSANDS OF DOLLARS)

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
(6) FLIGHT DECK DUTY	580	\$1,800.00	\$1,044	580	\$1,800.00	\$1,044	580	\$1,800.00	\$1,044
(7) TOXIC MATERIAL PAY	0	1,800.00	0	0	1,800.00	0	0	1,800.00	0
(8) SURFACE WARFARE PAY	1,145	11,702.63	13,400	1,632	12,072.00	19,702	1,632	12,702.00	19,702
(9) SPECIAL WARFARE PAY	163	11,167.51	<u>1,820</u>	180	11,667.00	<u>2,100</u>	219	11,415.53	<u>2,500</u>
TOTAL 1-C			<u>\$160,564</u>			<u>\$172,317</u>			<u>\$177,881</u>

(IN THOUSANDS OF DOLLARS)

PROJECT: 1-D SPECIAL PAY

FY 2003	ESTIMATE	\$257,016
FY 2002	ESTIMATE	\$226,525
FY 2001	ACTUAL	\$236,278

PART I - PURPOSE AND SCOPE

FUNDS REQUESTED PROVIDE FOR THE FOLLOWING SPECIAL PAY:

- (1) PHYSICIANS PAY (37 U.S.C. 302):
 - (A) VARIABLE SPECIAL PAY - MONTHLY PAYMENT TO MEDICAL CORPS OFFICERS ON ACTIVE DUTY UNDER A CALL OR ORDER TO ACTIVE DUTY FOR A PERIOD OF NOT LESS THAN ONE YEAR. AMOUNT PAID VARIES WITH TOTAL LENGTH OF CREDITABLE SERVICE.
 - (B) ADDITIONAL SPECIAL PAY - AN ANNUAL PAYMENT WHICH VARIES WITH LENGTH OF CREDITABLE SERVICE WHICH IS PAID TO MEDICAL CORPS OFFICERS WHO EXECUTE A WRITTEN AGREEMENT TO REMAIN ON ACTIVE DUTY FOR A PERIOD OF NOT LESS THAN ONE YEAR AND WHO ARE NOT UNDERGOING MEDICAL OR OSTEOPATHIC INTERNSHIP, OR INITIAL RESIDENCY.
 - (C) BOARD CERTIFIED PAY - A MONTHLY PAYMENT WHICH VARIES WITH LENGTH OF CREDITABLE SERVICE PAID TO MEDICAL CORPS OFFICERS WHO BECOME CERTIFIED OR RECERTIFIED AS HAVING SUCCESSFULLY MET SPECIFIED POST-GRADUATE EDUCATION, TRAINING AND EXPERIENCE REQUIREMENTS IN A MEDICAL OR OSTEOPATHIC SPECIALTY.
 - (D) MEDICAL INCENTIVE PAY - FOR MEDICAL CORPS OFFICERS, O-6 AND BELOW, WHO MEET CERTAIN CRITERIA, AND WHO AGREE TO REMAIN ON ACTIVE DUTY FOR A PERIOD OF ONE YEAR AND WHO ARE NOT UNDERGOING MEDICAL OR OSTEOPATHIC INTERNSHIP, INITIAL RESIDENCY, SUBSPECIALTY OR FELLOWSHIP TRAINING.
 - (E) MULTIYEAR SPECIALTY PAY (MSP) (P.L.101-510) - MSP IS A BONUS PAYABLE TO MEDICAL CORPS OFFICERS WHO HAVE 8 YEARS OF CREDITABLE SERVICE OR NO FURTHER POST GRADUATE MEDICAL TRAINING OBLIGATION AND EXECUTES AN AGREEMENT TO SERVE AN ADDITIONAL TWO TO FOUR YEARS ON ACTIVE DUTY.
- (2) DENTISTS PAY (37 U.S.C. 302B):
 - (A) VARIABLE SPECIAL PAY - MONTHLY PAYMENT TO DENTAL CORPS OFFICERS ON ACTIVE DUTY UNDER A CALL OR ORDER TO ACTIVE DUTY FOR A PERIOD OF NOT LESS THAN ONE YEAR. AMOUNT PAID VARIES WITH TOTAL LENGTH OF CREDITABLE SERVICE.
 - (B) ADDITIONAL SPECIAL PAY - AN ANNUAL PAYMENT WHICH VARIES WITH LENGTH OF CREDITABLE SERVICE WHICH IS PAID TO DENTAL CORPS OFFICERS WHO EXECUTE A WRITTEN AGREEMENT TO REMAIN ON ACTIVE DUTY FOR A PERIOD OF NOT LESS THAN ONE YEAR AND WHO ARE NOT UNDERGOING DENTAL INTERNSHIPS OR RESIDENCY TRAINING.
 - (C) BOARD CERTIFIED PAY - A MONTHLY PAYMENT WHICH VARIES WITH LENGTH OF CREDITABLE SERVICE PAID TO DENTAL CORPS OFFICERS WHO ATTAIN BOARD CERTIFICATION OR BOARD CERTIFICATION EQUIVALENCY REQUIREMENTS.
 - (D) ACCESSION BONUS - A BONUS PAID TO A DENTAL SCHOOL GRADUATE WHO AGREES TO ACCEPT A COMMISSION AS AN OFFICER AND REMAIN ON ACTIVE DUTY FOR A PERIOD OF NOT LESS THAN FOUR YEARS.
 - (E) MULTIYEAR SPECIALTY PAY (MSP) - MSP IS A BONUS PAYABLE TO A DENTAL CORPS OFFICER WHO HAS AT LEAST 8 YEARS OF CREDITABLE SERVICE, OR HAS COMPLETED ANY ACTIVE DUTY SERVICE COMMITMENT INCURRED FOR DENTAL EDUCATION AND TRAINING, HAS COMPLETED SPECIALTY TRAINING, AND EXECUTES AN AGREEMENT TO SERVE AN ADDITIONAL TWO TO FOUR YEARS ON ACTIVE DUTY.
- (3) OPTOMETRISTS PAY (37 U.S.C. 302A) - \$100 PER MONTH PAYABLE TO OFFICERS ON ACTIVE DUTY DESIGNATED AS OPTOMETRISTS.

- (4) PHARMACY ACCESSION BONUS (37 U.S.C. 302J) AUTHORIZED PAYMENT NOT TO EXCEED \$30,000 TO ELIGIBLE COMMISSION OFFICERS WHO SIGN A WRITTEN AGREEMENT TO SERVE ON ACTIVE DUTY IN EXCHANGE FOR RECEIVING THE ACCESSION BONUS.
- (5) NURSE PAY (37 U.S.C. 302D AND 302E):
 - (A) ACCESSION BONUS - A BONUS PAID TO A PERSON WHO IS A REGISTERED NURSE WHO AGREES TO ACCEPT A COMMISSION AS AN OFFICER AND REMAIN ON ACTIVE DUTY FOR A PERIOD OF NOT LESS THAN FOUR YEARS.
 - (B) INCENTIVE - FOR NURSE ANESTHETISTS WHO AGREE TO REMAIN ON ACTIVE DUTY FOR A PERIOD OF ONE YEAR OR MORE.
- (6) PERSONAL MONEY ALLOWANCES (37 U.S.C. 414):
 - (A) PERSONAL MONEY ALLOWANCES - PAID TO FLAG OFFICERS ON ACTIVE DUTY WHO ARE SERVING AS CHAIRMAN JOINT CHIEFS OF STAFF, VICE ADMIRALS, SENIOR MEMBERS OF THE MILITARY STAFF COMMITTEE OF THE UNITED NATIONS, ADMIRAL, OR CHIEF OF NAVAL OPERATIONS.
 - (B) SPECIAL ALLOWANCES (37 U.S.C. 414B) - PAID TO OFFICERS ON ACTIVE DUTY SERVING AS COMMANDANT OF MIDSHIPMEN, U.S. NAVAL ACADEMY; SUPERINTENDENT, NAVAL POST GRADUATE SCHOOL; PRESIDENT, NAVAL WAR COLLEGE; SUPERINTENDENT, U.S. NAVAL ACADEMY, OR DIRECTOR OF NAVAL INTELLIGENCE.
- (7) RESPONSIBILITY PAY (37 U.S.C. 306) - AN AMOUNT WHICH VARIES BY PAY GRADE, PAYABLE TO OFFICERS ON ACTIVE DUTY SERVING IN SECRETARY OF THE NAVY DESIGNATED POSITIONS OF UNUSUAL RESPONSIBILITY WHICH ARE OF A CRITICAL NATURE TO THE NAVY.
- (8) DIVING DUTY PAY (37 U.S.C. 304) - A MONTHLY AMOUNT NOT TO EXCEED \$240 PAID TO OFFICERS ON ACTIVE DUTY ASSIGNED TO DIVING DUTY. RECIPIENTS OF DIVING DUTY PAY ARE REQUIRED TO MAINTAIN PROFICIENCY AS DIVERS AND MUST ACTUALLY PERFORM DIVING DUTY.
- (9) NUCLEAR OFFICER INCENTIVE PAY (37 U.S.C. 312, 312B AND 312C):
 - (A) AN ANNUAL BONUS NOT TO EXCEED \$19,000 PAID TO OFFICERS BELOW THE PAY GRADE OF O-7 WHO ARE QUALIFIED TO SUPERVISE, OPERATE, AND MAINTAIN NAVAL NUCLEAR PROPULSION PLANTS AND AGREE TO REMAIN ON ACTIVE DUTY.
 - (B) A BONUS NOT TO EXCEED \$2,000 PAID TO OFFICERS WHO COMPLETE NUCLEAR POWER TRAINING.
 - (C) AN ANNUAL BONUS NOT TO EXCEED \$12,500 PAID TO OFFICERS BELOW THE PAY GRADE OF O-7 WHO ARE QUALIFIED TO SUPERVISE, OPERATE, AND MAINTAIN NAVAL NUCLEAR PROPULSION PLANTS.
- (10) CIVIL ENGINEER CORPS (CEC) ACCESSION BONUS - (37 U.S.C. 5): A BONUS NOT TO EXCEED \$5,000 TO AN INDIVIDUAL WHO IS SELECTED FOR CEC OFFICER TRAINING AND COMMISSIONED VIA OFFICER CANDIDATE SCHOOL AND WHO EXECUTES A WRITTEN AGREEMENT TO PARTICIPATE IN A PROGRAM OF TRAINING FOR DUTY IN CONNECTION WITH CEC AND AGREES TO ACCEPT A COMMISSION IN THE CEC.
- (11) SEA PAY (37 U.S.C. 305A):
 - (A) CAREER SEA PAY - A VARIABLE AMOUNT PAID MONTHLY TO OFFICERS ON ACTIVE DUTY WHO ARE PERMANENTLY OR TEMPORARILY SERVING ON A SHIP, THE PRIMARY MISSION OF WHICH IS ACCOMPLISHED WHILE UNDERWAY, OR WHILE SERVING AS A MEMBER OF THE OFF CREW OF A TWO-CREWED SUBMARINE; OR WHEN SERVING ON A SHIP, THE PRIMARY MISSION OF WHICH IS ACCOMPLISHED WHILE IN PORT, CAREER SEA PAY IS EARNED ONLY DURING A PERIOD THAT THE SHIP IS AWAY FROM ITS HOMEPORT FOR 30 CONSECUTIVE DAYS OR MORE. THE FY 2001 NATIONAL DEFENSE AUTHORIZATION ACT ENHANCED CAREER SEA PAY WHICH INCREASES EXISTING SEA PAY RATES IN ORDER TO RESTORE INCENTIVE VALUES OF SEA PAY AND EXPANDS CAREER SEA PAY (CSP) TO OFFICERS WITH LESS THAN THREE YEARS OF SEA DUTY IF THEY ARE ASSIGNED TO QUALIFYING SEA DUTY.

- (B) PREMIUM SEA PAY - \$100 PER MONTH PAID TO OFFICERS WHO ARE ENTITLED TO CAREER SEA PAY WHO HAVE SERVED MORE THAN 36 CONSECUTIVE MONTHS ON SEA DUTY PAYABLE ON THE 37TH CONSECUTIVE MONTH.
- (12) IMMINENT DANGER PAY (37 U.S.C. 310) - A MONTHLY PAYMENT OF \$150 TO OFFICERS ON ACTIVE DUTY WHO ARE IN DESIGNATED AREAS OR TO MEMBERS WHO ARE EXPOSED TO HOSTILE FIRE OR EXPLOSION OF HOSTILE MINES, OR MEMBERS WHO ARE IN A FOREIGN COUNTRY IN WHICH MEMBER WAS SUBJECT TO THE THREAT OF PHYSICAL HARM OR IMMINENT DANGER ON THE BASIS OF CIVIL INSURRECTION, CIVIL WAR, TERRORISM, OR WARTIME CONDITIONS.
- (13) FOREIGN LANGUAGE PROFICIENCY PAY (37 U.S.C. 316) - A MONTHLY PAYMENT NOT TO EXCEED \$300 MADE TO QUALIFIED OFFICERS WHOSE MILITARY SPECIALTY REQUIRES PROFICIENCY IN A FOREIGN LANGUAGE.
- (14) PSYCHOLOGIST DIPLOMATE PAY/NON PHYSICIAN BOARD CERTIFIED PAY (37 U.S.C.302C) - AN ANNUAL PAYMENT FOR MEDICAL SERVICE CORPS OFFICERS WHO ARE HEALTH CARE PROVIDERS, CERTIFIED BY A PROFESSIONAL BOARD OF THEIR SPECIALTY OR AWARDED A DIPLOMA AS A DIPLOMATE IN PSYCHOLOGY.
- (15) HARDSHIP DUTY PAID TO MEMBERS AT SPECIFIED DUTY LOCATIONS AND SPECIAL MISSIONS EFFECTIVE 01 JANUARY 2001.
- (16) JUDGE ADVOCATE CONTINUATION PAY (JACP) (37 U.S.C. 321) - AUTHORIZES UP TO \$60K PER UNIFORMED JUDGE ADVOCATE. THE NAVY PLAN CONSISTS OF THREE PHASES: (1) \$30K PAYMENT AT AUGMENTATION WITH THREE YEARS OBLIGATED SERVICE; (2) \$15K PAYMENT UPON PROMOTION TO 04 (2 YEARS OBLIGATED SERVICE); AND (3) \$15K PAYMENT UPON REACHING 10 YEARS ACTIVE COMMISSIONED SERVICE AS A JAG (2 YEARS OBLIGATED SERVICE).

PART II - JUSTIFICATION OF FUNDS REQUESTED

SPECIAL PAY FOR PHYSICIANS AND DENTISTS IS COMPUTED BY MULTIPLYING THE STATUTORY RATES FOR MEMBERS WITHIN EACH APPLICABLE LONGEVITY STEP. COSTS FOR CAREER SEA PAY ARE BASED ON AVERAGE RATES AND GRADE DISTRIBUTION EXPERIENCED IN FY 2000. OTHER SPECIAL PAYS ARE BASED ON STATUTORY RATES PRESCRIBED FOR EACH ENTITLEMENT AS APPLICABLE.

COMPUTATION OF FUND REQUIREMENTS IS PROVIDED IN THE FOLLOWING TABLE:

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
(1) PHYSICIANS PAY									
(A) VARIABLE	3,825	\$7,735.42	\$29,588	3,900	\$7,378.97	\$28,778	3,900	\$7,378.97	\$28,778
(B) ADDITIONAL	3,003	15,000.00	45,045	3,018	15,000.00	45,270	3,018	15,000.00	45,270
(C) BOARD CERTIFIED	1,934	3,663.21	7,085	1,849	3,601.41	6,659	1,849	3,601.41	6,659
(D) MEDICAL INCENTIVE	1,999	21,413.16	42,805	1,797	19,100.72	34,324	1,797	19,100.72	34,324
(E) MULTI YEAR PAY	1,134	10,372.85	11,763	1,290	10,331.78	13,328	1,290	10,331.78	13,328
TOTAL (1)			\$136,286			\$128,359			\$128,359

(IN THOUSANDS OF DOLLARS)

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
(2) DENTISTS PAY									
(A) VARIABLE	1,423	\$7,258.61	\$10,329	1,373	\$7,241.08	\$9,942	1,373	\$7,241.08	\$9,942
(B) ADDITIONAL	1,257	10,370.72	13,036	1,177	10,317.75	12,144	1,177	10,317.75	12,144
(C) BOARD CERTIFIED	285	4,534.30	1,292	234	5,055.56	1,183	234	5,055.56	1,183
(D) ACCESSION BONUS	31	30,000.00	930	35	30,000.00	1,050	35	30,000.00	1,050
(E) SAVED PAY			395			250			250
(F) MYSP	584	11,438.26	<u>6,680</u>	564	9,695.04	<u>5,468</u>	564	9,695.04	<u>5,468</u>
TOTAL (2)			32,662			30,037			30,037
(3) OPTOMETRISTS PAY	129	1,200.00	155	129	1,200.00	155	129	1,200.00	155
(4) PHARMACY ACCESSION BONUS	0	0.00	0	1	30,000.00	30	3	30,000.00	90
(5) NURSES BONUS									
(A) ACCESSION BONUS	88	5,034.09	443	85	5,000.00	425	100	5,000.00	500
(B) INCENTIVE	<u>100</u>	11,300.00	<u>1,130</u>	<u>158</u>	10,841.77	<u>1,713</u>	<u>135</u>	11,000.00	<u>1,485</u>
TOTAL (5)	188		1,573	243		2,138	235		1,985
TOTAL (1)(2)(3)(4)(5)			170,676			160,719			160,626
(6) PERSONAL MONEY ALLOWANCE									
(A) FLAG OFFICERS	1	4,000.00	4	1	4,000.00	4	1	4,000.00	4
ADMIRAL (CNO)	7	2,200.00	15	7	2,200.00	15	7	2,200.00	15
ADMIRAL	1	2,700.00	3	1	2,700.00	3	1	2,700.00	3
VICE ADMIRAL	<u>26</u>	500.00	<u>13</u>	<u>26</u>	500.00	<u>13</u>	<u>26</u>	500.00	<u>13</u>
TOTAL (6)(A)	35		35	35		35	35		35
(B) SPECIAL ALLOWANCES	5	2,520.00	<u>13</u>	5	2,520.00	<u>13</u>	5	2,520.00	<u>13</u>
TOTAL (6)			48			48			48
(7) RESPONSIBILITY PAY	603	1,349.92	814	603	1,349.92	814	603	1,349.92	814
(8) DIVING DUTY PAY	1,230	2,819.33	3,469	1,295	2,727.41	3,532	1,295	2,727.41	3,532
(9) NUCLEAR OFFICER INCENTIVE PAY	2,914	\$12,765.27	\$37,198	2,811	\$12,764.14	\$35,880	2,811	\$12,764.14	\$35,880

(IN THOUSANDS OF DOLLARS)

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
(10) CEC ACCESSION BONUS	0	\$5,000.00	\$0	120	\$5,000.00	\$600	120	\$5,000.00	\$600
(11) SEA PAY									
(A) CAREER SEA PAY									
CAPTAIN	221	3,017.40	667	221	3,017.40	667	232	4,731.82	1,098
COMMANDER	764	2,576.16	1,968	764	2,576.16	1,968	957	3,856.12	3,690
LIEUTENANT COMMANDER	1,439	2,082.00	2,996	1,439	2,082.00	2,996	2,149	3,243.48	6,970
LIEUTENANT	2,285	1,547.28	3,536	2,285	1,547.28	3,536	4,748	2,687.09	12,758
LIEUTENANT (JG)	1,237	1,021.92	1,264	1,236	1,021.92	1,263	4,169	2,634.47	10,983
ENSIGN	878	1,236.12	1,085	878	1,236.12	1,085	2,814	2,519.47	7,090
WARRANT OFFICER W-4	117	4,652.40	544	117	4,652.40	544	116	2,765.71	321
WARRANT OFFICER W-3	114	3,918.16	447	114	3,918.16	447	113	3,521.05	398
WARRANT OFFICER W-2	360	3,394.80	1,222	360	3,394.80	1,222	357	2,642.25	943
WARRANT OFFICER W-1	0	0.00	0	0	0.00	0	0	0.00	0
TOTAL (11)(A)	7,415		13,729	7,414		13,728	15,655		44,251
(B) PREMIUM SEA PAY	872	1,200.00	1,046	872	1,200.00	1,046	872	1,200.00	1,046
TOTAL (11)			14,775			14,774			45,297
(12) IMMINENT DANGER PAY	2,231	1,800.00	4,015	2,655	1,800.00	4,778	2,657	1,800.00	4,783
(13) FOREIGN LANGUAGE PROFICIENCY PAY	418	827.75	346	458	831.88	381	504	829.37	418
(14) PSYCHE DIPLOMATE / NON PHYSICIAN PAY	526	\$2,607.72	\$1,372	513	\$2,994.15	\$1,536	396	\$3,926.77	1,555

(IN THOUSANDS OF DOLLARS)

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
(15) HARDSHIP DUTY PAY									
LOCATION \$150	404	\$1,350.00	\$546	494	\$1,800.00	\$889	494	\$1,800.00	\$889
LOCATION \$100	73	900.00	66	73	1,200.00	88	73	1,200.00	88
LOCATION \$50	799	450.00	360	799	600.00	479	799	600.00	479
MISSION	4	1,800.00	7	4	1,800.00	7	4	1,800.00	7
TOTAL (15)	1,280		979	1,370		1,463	1,370		1,463
(16) JUDGE ADVOCATE CONT PAY	133	19,443.61	2,586	103	19,417.48	2,000	103	19,417.48	2,000
TOTAL 1-D			<u>\$236,278</u>			<u>\$226,525</u>			<u>\$257,016</u>

(IN THOUSANDS OF DOLLARS)

PROJECT: 1-E-1 BASIC ALLOWANCE FOR HOUSING – DOMESTIC

FY 2003	ESTIMATE	\$730,451
FY 2002	ESTIMATE	\$682,457
FY 2001	ACTUAL	\$626,313

PART I - PURPOSE AND SCOPE

CONGRESS APPROVED IN THE FY 1998 NATIONAL DEFENSE AUTHORIZATION ACT THE PAYMENT OF A BASIC ALLOWANCE FOR HOUSING (BAH) TO SERVICE MEMBERS. THE BAH COMBINES HOUSING PAYMENTS FORMERLY PROVIDED BY BASIC ALLOWANCE FOR QUARTERS (BAQ) AND VARIABLE HOUSING ALLOWANCE (VHA). THE FY 2000 NATIONAL DEFENSE AUTHORIZATION ACT DIRECTED THE BAH TRANSITION TO MARKET-BASED RATES BE ACCELERATED AND COMPLETED DURING FY 2005. PAYMENT TO SERVICE MEMBERS IS AUTHORIZED BY REVISIONS TO 37 U.S.C. 403.

PART II - JUSTIFICATION OF FUNDS REQUESTED

THE FY 2001 PROGRAM REFLECTS FUNDING REQUIRED TO ACCELERATE THE TRANSITION TO MARKET-BASED HOUSING RATES EFFECTIVE 1 JANUARY 2001. THE FY 2002 AND FY 2003 ESTIMATES INCLUDE A PROJECTED ANNUAL RATE INCREASE OF 3.9%, HOWEVER, FUTURE HOUSING RATE ADJUSTMENTS MAY RESULT AS CONTRACTOR GENERATED SURVEY DATA OF ACTUAL HOUSING COSTS BECOMES AVAILABLE. ADDITIONAL FUNDS HAVE BEEN BUDGETED TO REDUCE OUT-OF-POCKET EXPENSES TO 7.5% IN FY 2003.

COMPUTATION OF FUND REQUIREMENTS IS PROVIDED IN THE FOLLOWING TABLE:

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
(1) WITH DEPENDENTS									
FLAG OFFICERS	94	\$21,023.66	\$1,976	97	\$23,724.48	\$2,301	101	\$25,527.38	\$2,578
CAPTAIN	2,353	18,313.95	43,093	2,384	20,628.69	49,179	2,413	22,418.34	54,095
COMMANDER	4,970	17,322.14	86,091	4,995	19,461.96	97,212	5,006	21,165.11	105,953
LIEUTENANT COMMANDER	6,741	15,440.29	104,083	6,836	17,290.04	118,195	6,903	18,783.69	129,664
LIEUTENANT	8,527	13,516.64	115,256	7,838	14,933.25	117,047	7,514	16,147.91	121,335
LIEUTENANT (JG)	2,365	11,797.66	27,901	2,543	12,780.48	32,501	2,820	13,806.91	38,935
ENSIGN	2,113	10,818.31	22,859	2,190	11,331.87	24,817	2,100	12,253.85	25,733
OFFICER TOTAL	27,163		\$401,259	26,883		\$441,252	26,857		\$478,293

(IN THOUSANDS OF DOLLARS)

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
WARRANT OFFICER W-4	300	\$13,920.48	\$4,176	275	\$15,302.57	\$4,208	281	\$16,555.49	\$4,652
WARRANT OFFICER W-3	273	13,013.48	3,553	286	14,060.15	4,021	301	15,165.38	4,565
WARRANT OFFICER W-2	595	12,619.23	7,508	610	13,601.47	8,297	605	14,669.56	8,875
WARRANT OFFICER W-1	<u>0</u>	0.00	<u>0</u>	<u>0</u>	0.00	<u>0</u>	<u>0</u>	0.00	<u>0</u>
WARRANT OFFICER TOTAL	1,168		15,237	1,171		16,526	1,187		18,092
SUBTOTAL (1)	28,331		416,496	28,054		457,778	28,044		496,385
BAH DIFFERENTIAL	<u>643</u>		<u>1,092</u>	<u>664</u>		<u>1,135</u>	<u>689</u>		<u>1,179</u>
TOTAL (1)	28,974		417,588	28,718		458,913	28,733		497,564
(2) WITHOUT DEPENDENTS									
FLAG OFFICERS	2	16,120.47	32	2	17,628.00	35	2	19,167.80	38
CAPTAIN	271	15,778.68	4,276	271	17,908.64	4,853	272	19,367.68	5,268
COMMANDER	809	14,171.82	11,465	824	15,811.78	13,029	824	17,118.61	14,106
LIEUTENANT COMMANDER	1,548	13,285.99	20,567	1,559	14,764.13	23,017	1,566	16,000.28	25,056
LIEUTENANT	4,893	11,322.77	55,402	4,770	12,632.46	60,257	4,626	13,685.40	63,309
LIEUTENANT (JG)	2,938	9,716.00	28,546	3,139	11,125.32	34,922	3,473	12,055.62	41,869
ENSIGN	<u>4,068</u>	8,326.70	<u>33,873</u>	<u>4,110</u>	9,436.86	<u>38,785</u>	<u>3,827</u>	10,209.92	<u>39,073</u>
OFFICER TOTAL	14,529		154,161	14,675		174,898	14,590		188,719
WARRANT OFFICER W-4	25	11,478.00	287	24	12,791.65	307	24	13,852.27	332
WARRANT OFFICER W-3	26	11,314.02	294	27	11,923.00	322	28	12,910.89	362
WARRANT OFFICER W-2	70	10,291.92	720	70	11,446.45	801	68	12,418.11	844
WARRANT OFFICER W-1	<u>0</u>	0.00	<u>0</u>	<u>0</u>	0.00	<u>0</u>	<u>0</u>	0.00	<u>0</u>
WARRANT OFFICER TOTAL	121		1,301	121		1,430	120		1,538
TOTAL (2)	14,650		\$155,462	14,796		\$176,328	14,710		\$190,257

(IN THOUSANDS OF DOLLARS)

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
(3) PARTIAL ALLOWANCE - BACHELOR									
FLAG OFFICERS	0	\$0.00	\$0	0	\$0.00	\$0	0	\$0.00	\$0
CAPTAIN	7	475.20	3	7	475.20	3	7	475.20	3
COMMANDER	21	396.00	8	21	396.00	8	21	396.00	8
LIEUTENANT COMMANDER	58	320.40	19	56	320.40	18	56	320.40	18
LIEUTENANT	194	266.40	52	179	266.40	48	177	266.40	47
LIEUTENANT (JG)	105	212.40	22	105	212.40	22	116	212.40	25
ENSIGN	<u>256</u>	<u>158.40</u>	<u>41</u>	<u>245</u>	<u>158.40</u>	<u>39</u>	<u>228</u>	<u>158.40</u>	<u>36</u>
OFFICER TOTAL	641		145	613		138	605		137
WARRANT OFFICER W-4	0	336.00	0	0	0.00	0	0	0.00	0
WARRANT OFFICER W-3	2	248.40	0	2	248.40	0	2	248.40	0
WARRANT OFFICER W-2	2	190.80	0	2	190.80	0	2	190.80	0
WARRANT OFFICER W-1	<u>0</u>	<u>0.00</u>	<u>0</u>	<u>0</u>	<u>0.00</u>	<u>0</u>	<u>0</u>	<u>0.00</u>	<u>0</u>
WARRANT OFFICER TOTAL	4		0	4		0	4		0
TOTAL (3)	645		145	617		138	609		137
(4) INADEQUATE FAMILY HOUSING									
FLAG OFFICERS	0	0.00	0	0	0.00	0	0	0.00	0
CAPTAIN	0	0.00	0	0	0.00	0	0	0.00	0
COMMANDER	0	0.00	0	0	0.00	0	0	0.00	0
LIEUTENANT COMMANDER	0	0.00	0	0	0.00	0	0	0.00	0
LIEUTENANT	0	0.00	0	0	0.00	0	0	0.00	0
LIEUTENANT (JG)	0	0.00	0	0	0.00	0	0	0.00	0
ENSIGN	<u>0</u>	<u>0.00</u>	<u>0</u>	<u>0</u>	<u>0.00</u>	<u>0</u>	<u>0</u>	<u>0.00</u>	<u>0</u>
OFFICER TOTAL	0	0.00	0	0	0.00	0	0	0.00	0
WARRANT OFFICER W-4	0	0.00	0	0	0.00	0	0	0.00	0
WARRANT OFFICER W-3	0	0.00	0	0	0.00	0	0	0.00	0
WARRANT OFFICER W-2	0	0.00	0	0	0.00	0	0	0.00	0
WARRANT OFFICER W-1	<u>0</u>	<u>0.00</u>	<u>0</u>	<u>0</u>	<u>0.00</u>	<u>0</u>	<u>0</u>	<u>0.00</u>	<u>0</u>
WARRANT OFFICER TOTAL	0	0.00	0	0	0.00	0	0	0.00	0
TOTAL (4)	<u>0</u>	0.00	<u>0</u>	<u>0</u>	0.00	<u>0</u>	<u>0</u>	0.00	<u>0</u>
BAH – DOMESTIC SUBTOTAL	<u>44,269</u>		<u>\$573,195</u>	<u>44,131</u>		<u>\$635,379</u>	<u>44,052</u>		<u>\$687,958</u>

(IN THOUSANDS OF DOLLARS)

PROJECT: 1-U BASIC ALLOWANCE FOR HOUSING – OVERSEAS

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
(5) WITH DEPENDENTS									
FLAG OFFICERS	0	\$0.00	\$0	0	\$0.00	\$0	0	\$0.00	\$0
CAPTAIN	110	28,416.60	3,126	103	26,456.31	2,725	98	25,100.01	2,460
COMMANDER	320	25,094.64	8,030	300	23,336.67	7,001	287	22,016.89	6,319
LIEUTENANT COMMANDER	409	21,531.68	8,806	383	20,047.00	7,678	367	18,882.98	6,930
LIEUTENANT	563	19,415.41	10,931	527	18,083.49	9,530	505	17,033.39	8,602
LIEUTENANT (JG)	109	18,956.52	2,066	102	17,666.67	1,802	98	16,594.11	1,626
ENSIGN	72	19,841.90	1,429	67	18,597.01	1,246	65	17,289.89	1,124
OFFICER TOTAL	1,583		34,388	1,482		29,982	1,420		27,061
WARRANT OFFICER W-4	10	20,303.07	203	9	19,666.67	177	9	17,779.70	160
WARRANT OFFICER W-3	13	17,895.33	233	12	16,916.67	203	12	15,272.98	183
WARRANT OFFICER W-2	34	18,412.09	626	32	17,062.50	546	30	16,435.89	493
WARRANT OFFICER W-1	0	0.00	0	0	0.00	0	0	0.00	0
WARRANT OFFICER TOTAL	57		1,062	53		926	51		836
TOTAL (5)	1,640		35,450	1,535		30,908	1,471		27,897
(6) WITHOUT DEPENDENTS									
FLAG OFFICERS	0	0.00	0	0	0.00	0	0	0.00	0
CAPTAIN	11	22,363.64	246	10	22,700.00	227	10	20,467.30	205
COMMANDER	68	19,382.35	1,318	64	18,984.38	1,215	61	17,981.36	1,097
LIEUTENANT COMMANDER	173	18,543.35	3,208	162	18,253.09	2,957	155	17,220.17	2,669
LIEUTENANT	493	16,236.24	8,004	460	15,789.15	7,263	442	14,831.41	6,555
LIEUTENANT (JG)	186	15,392.47	2,863	177	14,898.11	2,637	167	14,261.40	2,382
ENSIGN	122	15,491.80	1,890	114	15,280.70	1,742	109	14,424.43	1,572
OFFICER TOTAL	1,053		\$17,529	987		\$16,041	944		\$14,480

(IN THOUSANDS OF DOLLARS)

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
WARRANT OFFICER W-4	3	\$15,666.67	\$47	3	\$14,666.67	\$44	3	\$13,024.67	\$39
WARRANT OFFICER W-3	1	22,000.00	22	1	20,000.00	20	1	17,676.00	18
WARRANT OFFICER W-2	5	14,000.00	70	4	16,250.00	65	4	14,652.75	59
WARRANT OFFICER W-1	<u>0</u>	0.00	<u>0</u>	<u>0</u>	0.00	<u>0</u>	<u>0</u>	0.00	<u>0</u>
WARRANT OFFICER TOTAL	9		139	8		129	8		116
TOTAL (6)	<u>1,062</u>		<u>17,668</u>	<u>995</u>		<u>16,170</u>	<u>952</u>		<u>14,596</u>
TOTAL BAH – OVERSEAS	2,702		53,118	2,530		47,078	2,423		42,493
TOTAL 1-U	<u>46,971</u>		<u>\$626,313</u>	<u>46,661</u>		<u>\$682,457</u>	<u>46,475</u>		<u>\$730,451</u>

(IN THOUSANDS OF DOLLARS)

PROJECT: 1-G BASIC ALLOWANCE FOR SUBSISTENCE

FY 2003	ESTIMATE	\$109,467
FY 2002	ESTIMATE	\$106,498
FY 2001	ACTUAL	\$103,818

PART I - PURPOSE AND SCOPE

FUNDS REQUESTED WILL PROVIDE FOR A CASH ALLOWANCE, PAYABLE BY LAW TO OFFICERS AT ALL TIMES, TO REIMBURSE THEM FOR THE EXPENSE OF SUBSISTING THEMSELVES (37 U.S.C. 402).

PART II - JUSTIFICATION OF FUNDS REQUESTED

BASIC ALLOWANCE FOR SUBSISTENCE IS COMPUTED BY MULTIPLYING THE TOTAL OFFICER WORKYEAR AVERAGE BY THE STATUTORY RATE OF \$1,882.40 PER ANNUM EFFECTIVE 01 JANUARY 2001 PLUS A 1.0% RATE EFFECTIVE 01 JANUARY 2002, 3.7% EFFECTIVE 01 JANUARY 2003, AND A 3.0% EFFECTIVE 01 JANUARY 2003.

SECTION 602 OF THE FY 2001 NATIONAL DEFENSE AUTHORIZATION ACT (NDAA) REPEALS THE TRANSITION OF THE BASIC ALLOWANCE FOR SUBSISTENCE (BAS) PROGRAM, EFFECTIVE OCTOBER 1, 2001, AND INCREASES THE BAS RATE IN EFFECT BY THE AMOUNT OF INCREASES IN FOOD COSTS, AS DETERMINED BY GROWTH IN THE DEPARTMENT OF AGRICULTURE MODERATE FOOD PLAN.

COMPUTATION OF FUND REQUIREMENTS IS PROVIDED IN THE FOLLOWING TABLE:

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
BASIC ALLOWANCE FOR SUBSISTENCE	<u>53,562</u>	\$1,938.28	<u>\$103,818</u>	<u>53,825</u>	\$1,978.59	<u>\$106,498</u>	<u>53,625</u>	\$2,041.35	<u>\$109,467</u>
TOTAL 1-G	<u>53,562</u>		<u>\$103,818</u>	<u>53,825</u>		<u>\$106,498</u>	<u>53,625</u>		<u>\$109,467</u>

(IN THOUSANDS OF DOLLARS)

PROJECT: 1-H STATION ALLOWANCES, OVERSEAS

FY 2003	ESTIMATE	\$47,022
FY 2002	ESTIMATE	\$49,068
FY 2001	ACTUAL	\$56,304

PART I - PURPOSE AND SCOPE

FUNDS REQUESTED PROVIDE FOR PAYMENTS OF A PER DIEM ALLOWANCE TO MEMBERS AND THEIR DEPENDENTS ON DUTY OUTSIDE THE UNITED STATES FOR INCREASED COST OF LIVING, HOUSING AND TEMPORARY LODGING ALLOWANCES. AUTHORIZATION IS PROVIDED UNDER PROVISION OF (37 U.S.C. 405) AND THE JOINT TRAVEL REGULATIONS.

PART II - JUSTIFICATION OF FUNDS REQUESTED

THE NUMBERS FOR COST OF LIVING ALLOWANCE (COLA) ARE BASED ON ACTUAL EXPERIENCE ADJUSTED TO REFLECT CHANGES IN OVERSEAS STRENGTH.

COMPUTATION OF FUND REQUIREMENTS IS PROVIDED IN THE FOLLOWING TABLE:

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
(1) COST OF LIVING	7,018	\$7,003.99	\$49,154	7,011	\$6,101.43	\$42,777	6,969	\$5,968.00	\$41,591
(2) TEMPORARY LODGING			<u>7,150</u>			<u>6,291</u>			<u>5,431</u>
TOTAL 1-H			<u>\$56,304</u>			<u>\$49,068</u>			<u>\$47,022</u>

(IN THOUSANDS OF DOLLARS)

PROJECT: 1-I CONUS COST OF LIVING ALLOWANCE (COLA)

FY 2003	ESTIMATE	\$2,098
FY 2002	ESTIMATE	\$1,840
FY 2001	ACTUAL	\$1,248

PART I - PURPOSE AND SCOPE

THE FUNDS REQUESTED WILL PROVIDE FOR PAYMENT OF A COST OF LIVING ALLOWANCE (COLA) TO OFFICERS WHO ARE ASSIGNED TO HIGH COST AREAS IN THE CONTINENTAL UNITED STATES (CONUS). HIGH COST AREAS ARE GROUPED AS MILITARY HOUSING AREAS (MHA) WHERE THE COST OF GOODS AND SERVICES EXCEEDS 108 PERCENT OF THE NATIONAL COST OF LIVING AVERAGE. THE AMOUNT OF COLA PAYABLE IS THE PRODUCT OF SPENDABLE INCOME (BASED ON REGULAR MILITARY COMPENSATION) TIMES THE DIFFERENCE BETWEEN THE COLA INDEX FOR THE INDIVIDUAL'S HIGH COST AREA AND THE THRESHOLD PERCENTAGE.

PART II - JUSTIFICATION OF FUNDS REQUESTED

CONUS COLA PAYMENTS ARE DETERMINED MULTIPLYING THE PROJECTED NUMBER OF PERSONNEL ELIGIBLE BY AN ESTIMATED RATE.

COMPUTATION OF FUND REQUIREMENTS IS PROVIDED IN THE FOLLOWING TABLE:

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
(1) COST OF LIVING	1,161	\$1,074.96	<u>\$1,248</u>	1,156	\$1,591.35	<u>\$1,840</u>	1,267	\$1,655.88	<u>\$2,098</u>
TOTAL 1-I			<u>\$1,248</u>			<u>\$1,840</u>			<u>\$2,098</u>

(IN THOUSANDS OF DOLLARS)

PROJECT: 1-J UNIFORM ALLOWANCES

FY 2003	ESTIMATE	\$2,141
FY 2002	ESTIMATE	\$2,104
FY 2001	ACTUAL	\$2,258

PART I - PURPOSE AND SCOPE

FUNDS REQUESTED WILL PROVIDE FOR PAYMENT OF AN INITIAL CLOTHING ALLOWANCE (37 U.S.C. 415 AND 416) TO OFFICERS UPON COMMISSIONING AND AN ACTIVE DUTY CLOTHING ALLOWANCE TO RESERVES UPON ENTRY OR REENTRY ON ACTIVE DUTY FOR A PERIOD OF 90 DAYS OR MORE. CIVILIAN CLOTHING ALLOWANCES ARE AUTHORIZED BY 37 U.S.C. 419.

PART II - JUSTIFICATION OF FUNDS REQUESTED

UNIFORM ALLOWANCES ARE COMPUTED BY MULTIPLYING THE NUMBER OF PERSONNEL ELIGIBLE IN EACH CATEGORY BY THE AUTHORIZED RATES.

COMPUTATION OF FUND REQUIREMENTS IS PROVIDED IN THE FOLLOWING TABLE:

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
(1) INITIAL									
(A) AVIATION OFFICER CANDIDATES	495	\$200.00	\$99	371	\$200.00	\$74	337	\$200.00	\$67
(B) OTHER RESERVISTS	2,513	400.00	1,005	2,417	400.00	967	2,444	400.00	978
(C) OTHER RESERVISTS	<u>1,936</u>	216.00	<u>418</u>	<u>1,739</u>	216.00	<u>376</u>	<u>1,882</u>	216.00	<u>407</u>
TOTAL (1)	4,944		1,522	4,527		1,417	4,663		1,452
(2) ADDITIONAL	3,137	200.00	627	2,880	200.00	576	2,882	200.00	576
(3) CIVILIAN	75	1,457.28	<u>109</u>	75	1,480.60	<u>111</u>	75	1,504.29	<u>113</u>
TOTAL 1-J			<u>\$2,258</u>			<u>\$2,104</u>			<u>\$2,141</u>

(IN THOUSANDS OF DOLLARS)

PROJECT: 1-K FAMILY SEPARATION ALLOWANCE

FY 2003	ESTIMATE	\$4,182
FY 2002	ESTIMATE	\$4,154
FY 2001	ACTUAL	\$4,120

PART I - PURPOSE AND SCOPE

FUNDS REQUESTED PROVIDE AN ALLOWANCE TO OFFICERS WITH DEPENDENTS (37 U.S.C. 427) FOR ADDED SEPARATION EXPENSES WHEN THE REQUIREMENTS LISTED BELOW ARE MET:

- (1) THE MOVEMENT OF DEPENDENTS TO AN OVERSEAS PERMANENT DUTY STATION IS NOT AUTHORIZED AND THE MEMBER MUST MAINTAIN TWO HOMES.
- (2) THE MOVEMENT OF DEPENDENTS TO THE PERMANENT DUTY STATION OR A PLACE NEAR THE STATION IS NOT AUTHORIZED AT GOVERNMENT EXPENSE UNDER THE JOINT TRAVEL REGULATIONS AND THE MEMBER'S DEPENDENTS DO NOT RESIDE AT OR NEAR THAT STATION.
- (3) THE MEMBER IS ON DUTY ON BOARD A SHIP AWAY FROM THE HOME PORT OF THE SHIP FOR A CONTINUOUS PERIOD OF MORE THAN 30 DAYS.
- (4) THE MEMBER IS ON TEMPORARY DUTY OR TEMPORARY ADDITIONAL DUTY AWAY FROM HIS PERMANENT STATION FOR A CONTINUOUS PERIOD OF MORE THAN 30 DAYS AND THE MEMBER'S DEPENDENTS DO NOT RESIDE AT OR NEAR THE MEMBER'S TEMPORARY OR TEMPORARY ADDITIONAL DUTY STATION.

PART II - JUSTIFICATION OF FUNDS REQUESTED

FAMILY SEPARATION ALLOWANCES ARE DETERMINED BY MULTIPLYING THE PLANNED NUMBER OF MEMBERS ELIGIBLE BY THE STATUTORY RATES.

COMPUTATION OF FUND REQUIREMENTS IS PROVIDED IN THE FOLLOWING TABLE:

(IN THOUSANDS OF DOLLARS)

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
(1) ON PERMANENT CHANGE OF STATION WITH DEPENDENTS NOT AUTHORIZED / GOVERNMENT QUARTERS NOT AVAILABLE									
CAPTAIN	3	\$10,237.62	\$31	3	\$10,814.33	\$32	3	\$11,382.08	\$34
COMMANDER	13	9,835.20	128	13	10,387.27	135	13	10,934.66	142
LIEUTENANT COMMANDER	11	9,133.94	100	11	9,693.09	107	11	10,155.02	112
LIEUTENANT	23	7,616.00	175	23	8,082.22	186	23	8,467.38	195
LIEUTENANT (JG)	6	6,222.62	37	6	6,603.54	40	6	6,908.17	41
ENSIGN	5	5,540.72	28	5	5,879.90	29	5	6,160.11	31
WARRANT OFFICER W-4	3	8,243.38	25	3	8,748.00	26	3	9,164.89	27
WARRANT OFFICER W-3	2	6,923.99	14	2	7,347.85	15	2	7,698.02	15
WARRANT OFFICER W-2	3	6,149.23	18	3	6,525.67	20	3	6,836.65	21
WARRANT OFFICER W-1	0	0.00	0	0	0.00	0	0	0.00	0
TOTAL (1)	69		556	69		590	69		618
(2) ON PERMANENT CHANGE OF STATION WITH DEPENDENTS NOT AUTHORIZED	230	1,200.00	276	230	1,200.00	276	230	1,200.00	276
(3) ON BOARD SHIP MORE THAN 30 DAYS	1,005	1,200.00	1,206	1,005	1,200.00	1,206	1,005	1,200.00	1,206
(4) ON TEMPORARY DUTY MORE THAN 30 DAYS WITH DEPENDENTS NOT RESIDING NEAR TEMPORARY DUTY STATION	1,735	1,200.00	<u>2,082</u>	1,735	1,200.00	<u>2,082</u>	1,735	1,200.00	<u>2,082</u>
TOTAL 1-K			<u>\$4,120</u>			<u>\$4,154</u>			<u>\$4,182</u>

(IN THOUSANDS OF DOLLARS)

PROJECT: 1-L SEPARATION PAYMENTS

FY 2003	ESTIMATE	\$59,069
FY 2002	ESTIMATE	\$57,923
FY 2001	ACTUAL	\$27,878

PART I – PURPOSE AND SCOPE

FUNDS REQUESTED PROVIDE:

- (1) LUMP SUM TERMINAL LEAVE PAYMENTS FOR UNUSED ACCRUED LEAVE AT TIME OF DISCHARGE, OR DEATH UNDER PROVISIONS OF (37 U.S.C. 501), AND (10 U.S.C. 701).
- (2) LUMP SUM PAYMENT TO RESERVISTS WHO ARE INVOLUNTARILY RELEASED FROM ACTIVE DUTY AFTER HAVING COMPLETED AT LEAST SIX YEARS OF ACTIVE DUTY AS PROVIDED UNDER PROVISIONS OF (10 U.S.C. 687).
- (3) SEVERANCE PAY FOR FAILURE OF PROMOTION OR FOR REASONS OTHER THAN PHYSICAL DISABILITY UNDER PROVISIONS OF (10 U.S.C. 6383).
- (4) SEVERANCE PAY DISABILITY FOR MEMBERS ON ACTIVE DUTY AND TEMPORARY DISABILITY RETIRED LIST WHO ARE SEPARATED FOR PHYSICAL REASONS UNDER THE PROVISIONS OF (10 U.S.C. 1212).
- (5) INVOLUNTARY – HALF SEVERANCE PAY IS (5% OF THE PRODUCT OF MEMBERS YEARS ACTIVE SERVICE PLUS FRACTIONS OF YEARS BASED ON FULL MONTHS AND 12 TIMES MONTHLY BASIC PAY) IS AUTHORIZED TO MEMBERS NOT FULLY QUALIFIED FOR RETENTION AND ARE DENIED REENLISTMENT OR CONTINUATION.

INVOLUNTARY – FULL SEVERANCE PAY IS (10% OF THE PRODUCT OF MEMBERS YEARS ACTIVE SERVICE PLUS FRACTIONS OF YEARS BASED ON FULL MONTHS AND 12 TIMES MONTHLY BASIC PAY) IS AUTHORIZED TO MEMBERS INVOLUNTARILY SEPARATED FROM ACTIVE DUTY BUT WHO ARE FULLY QUALIFIED FOR RETENTION, BUT ARE DENIED REENLISTMENT OR CONTINUATION.

VOLUNTARY – SPECIAL SEPARATION BENEFITS ((SSB) 10 U.S.C. 1174A) PAYS MEMBERS A LUMP-SUM AMOUNT EQUAL TO 15% OF THEIR ANNUAL BASIC PAY MULTIPLIED BY THEIR YEARS OF SERVICE. THE AUTHORITY FOR THIS PROGRAM EXPIRED ON 31 DECEMBER 2001.

- (6) VOLUNTARY SEPARATION INCENTIVE ((VSI) 10 U.S.C. 1175) WILL PAY MEMBERS 2.5% OF THEIR ANNUAL BASIC PAY, MULTIPLIED BY THEIR YEARS OF SERVICE. PAYMENTS WILL BE ANNUAL AND LAST FOR TWICE THE NUMBER OF YEARS OF SERVICE. THE AUTHORITY FOR THIS PROGRAM EXPIRED ON 31 DECEMBER 2001.
- (7) 15 YEAR EARLY RETIREMENT PROGRAM (ERP) FOR MEMBERS ON ACTIVE DUTY WITH MORE THAN 15 BUT LESS THAN 20 YEARS OF SERVICE. THE FY 1993 DEFENSE AUTHORIZATION ACT APPROVED AN ACTIVE DUTY EARLY RETIREMENT PROGRAM FOR USE DURING THE FORCE DRAWDOWN. THE AUTHORITY TO USE THE EARLY RETIREMENT PROGRAM EXPIRED ON 1 OCTOBER 2001.

IN THOUSANDS OF DOLLARS

- (8) \$30,000 LUMP SUM BONUS - THE FY 2000 NATIONAL DEFENSE AUTHORIZATION ACT PROVIDES TO SERVICE MEMBERS WHO ENTERED THE UNIFORM SERVICE ON OR AFTER AUGUST 1, 1986 THE OPTION TO RETIRE UNDER THE PRE-1986 MILITARY PLAN (50% RETIREMENT BENEFIT AT 20 YEARS OF SERVICE, WITH FULL COLA) OR TO ACCEPT A ONE-TIME \$30,000 LUMP SUM BONUS AND TO REMAIN UNDER REDUX RETIREMENT PLAN (40% RETIREMENT BENEFIT AT 20 YEARS OF SERVICE, WITH PARTIAL COLA). SAILORS ARE PERMITTED TO SELECT BETWEEN THE TWO RETIREMENT PROGRAMS WITHIN 180 DAYS OF COMPLETING 15 YEARS OF SERVICE. SAILORS WHO ELECT TO ACCEPT THE LUMP SUM BONUS ARE OBLIGATED TO SERVE THE REMAINING FIVES YEARS TO BECOME RETIREMENT ELIGIBLE. THOSE WHO DO NOT COMPLETE THE REQUIRED SERVICE ARE REQUIRED TO REPAY A PRO-RATED AMOUNT BASED ON THE UNSERVED AMOUNT OF THE OBLIGATION.

PART II - JUSTIFICATION OF FUNDS REQUESTED

SEPARATION PAYMENTS ARE COMPUTED ON THE BASIS OF THE NUMBER OF MEMBERS ELIGIBLE FOR PAYMENT AT THE AVERAGE RATES DERIVED FROM PAST EXPERIENCED. EFFECTIVE 01 JANUARY 2002 A MINIMUM PAY RAISE OF 5.0% IS BUDGETED FOR ALL GRADES WITH SELECTED INCREASES AVERAGING UP TO 10% FOR CERTAIN TARGETED PAY GRADES. A 4.1% PAY RAISE IS EFFECTIVE 01 JANUARY 2003.

COMPUTATION OF FUND REQUIREMENTS IS PROVIDED IN THE FOLLOWING TABLE:

	FY 2001				FY 2002				FY 2003			
	NUMBER	DAYS	RATE	AMOUNT	NUMBER	DAYS	RATE	AMOUNT	NUMBER	DAYS	RATE	AMOUNT
(1) LUMP SUM TERMINAL												
LEAVE PAYMENTS												
FLAG OFFICERS	41	33	\$4,871.14	\$200	41	33	\$5,162.72	\$212	41	33	\$5,414.79	\$222
CAPTAIN	493	25	4,111.21	2,027	496	25	4,364.85	2,165	494	25	4,561.07	2,253
COMMANDER	676	21	4,157.95	2,811	643	21	4,418.74	2,841	638	21	4,616.28	2,945
LIEUTENANT COMMANDER	871	22	3,196.64	2,784	876	22	3,376.18	2,958	855	22	3,531.98	3,020
LIEUTENANT	1,857	19	2,799.31	5,198	1,936	19	2,975.43	5,760	1,922	19	3,108.50	5,975
LIEUTENANT (JG)	148	17	1,801.21	267	271	17	1,910.42	518	267	17	1,997.03	533
ENSIGN	41	17	1,305.35	54	43	17	1,384.43	60	43	17	1,452.36	62
WARRANT OFFICER W-4	84	17	2,046.87	172	81	17	2,160.21	175	81	17	2,269.55	184
WARRANT OFFICER W-3	82	13	1,588.82	130	70	13	1,679.44	118	70	13	1,769.78	124
WARRANT OFFICER W-2	48	18	2,061.23	99	48	18	2,185.77	105	48	18	2,299.42	110
WARRANT OFFICER W-1	0	0	0.00	0	0	0	0.00	0	0	0	0.00	0
TOTAL (1)	4,341			13,742	4,505			14,912	4,459			15,428

(IN THOUSANDS OF DOLLARS)

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
(2) LUMP SUM PAYMENTS TO RESERVISTS	46	62,130.43	2,858	61	66,918.03	4,082	61	68,639.34	4,187
(3) SEVERANCE PAY, FAILURE OF PROMOTION	134	52,694.03	7,061	208	57,038.46	11,864	189	42,624.34	8,056
(4) SEVERANCE PAY, DISABILITY	44	\$55,843.92	2,457	54	\$59,262.46	\$3,200	49	\$61,996.30	\$3,038
(5) SEVERANCE PAY, NON-DISABILITY									
INVOL – HALF PAY (5%)	0	0.00	0	0	0.00	0	0	0.00	0
INVOL – FULL PAY (10%)	0	0.00	0	0	0.00	0	0	0.00	0
(6) VOLUNTARY SEPARATION									
SSB	0	0.00	0	0	0.00	0	0	0.00	0
VSI	0	0.00	0	0	0.00	0	0	0.00	0
VSI TRUST FUND	0	0.00	0	0	0.00	0	0	0.00	0
(7) 15 YR RETIREMENT PROGRAM	0	0.00	0	0	0.00	0	0	0.00	0
(8) \$30,000 LUMP SUM BONUS			<u>1,760</u>			<u>23,865</u>			<u>28,360</u>
TOTAL 1-L			<u>\$27,878</u>			<u>\$57,923</u>			<u>\$59,069</u>

(IN THOUSANDS OF DOLLARS)

PROJECT: 1-M SOCIAL SECURITY TAX – EMPLOYER'S CONTRIBUTION

FY 2003	ESTIMATE	\$219,838
FY 2002	ESTIMATE	\$210,301
FY 2001	ACTUAL	\$200,305

PART I - PURPOSE AND SCOPE

FUNDS REQUESTED REPRESENT THE GOVERNMENT'S CONTRIBUTION (AS AN EMPLOYER) AS REQUIRED BY THE FEDERAL INSURANCE CONTRIBUTION ACT UNDER PROVISION OF (26 U.S.C. 3101, 3111), AND P.L. 98-21 "SOCIAL SECURITY AMENDMENT OF 1983."

PART II - JUSTIFICATION OF FUNDS REQUESTED

SOCIAL SECURITY COSTS ARE BASED ON THE PERCENTAGE RATE SET BY LAW ON A MEMBER'S SALARY FOR A CALENDAR YEAR. P.L. 98-21, "SOCIAL SECURITY AMENDMENT OF 1983" DATED 20 APRIL 1983 ESTABLISHED THE TAX RATE WHILE THE MAXIMUM TAXABLE INCOME IS DETERMINED BY THE SOCIAL SECURITY ADMINISTRATION. THE OLD AGE, SURVIVOR AND DISABILITY INCOME (OASDI) RATE IS 6.2% AND THE HOSPITAL INSURANCE (HI) IS 1.45%. THERE IS NO WAGE CAP ON THE 1.45% MEDICAL CONTRIBUTION. THE GOVERNMENT'S CONTRIBUTION IS BASED ON THE PERCENTAGE RATE SET BY LAW ON MEMBER'S SALARY FOR A CALENDAR YEAR. TAXABLE INCOME CEILINGS FOR OASDI ARE AS FOLLOWS:

CALENDAR YEAR 2001 - 7.65% ON FIRST \$80,400
 CALENDAR YEAR 2002 - 7.65% ON FIRST \$84,900
 CALENDAR YEAR 2003 - 7.65% ON FIRST \$89,100

COMPUTATION OF FUND REQUIREMENTS IS PROVIDED IN THE FOLLOWING TABLE:

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
SOCIAL SECURITY TAX – EMPLOYER'S CONTRIBUTION	53,562	\$3,739.68	<u>\$200,305</u>	53,825	\$3,907.13	<u>\$210,301</u>	53,625	\$4,099.55	<u>\$219,838</u>
TOTAL 1-M			<u>200,305</u>			<u>210,301</u>			<u>219,838</u>
TOTAL OBLIGATIONS			4,836,350			5,120,381			5,535,481
LESS REIMBURSABLES			<u>117,996</u>			<u>114,795</u>			<u>214,065</u>
TOTAL DIRECT OBLIGATIONS			<u>\$4,718,354</u>			<u>\$5,005,586</u>			<u>\$5,321,416</u>

PAY AND ALLOWANCES OF ENLISTED PERSONNEL
SCHEDULE OF INCREASES AND DECREASES
(IN THOUSANDS OF DOLLARS)

		<u>AMOUNT</u>
FY 2002 DIRECT PROGRAM		\$12,918,931
INCREASES		
BASIC PAY		362,100
ANNUALIZATION OF FY 2002 PAY RAISE	95,941	
FY 2003 PAY RAISE ACTIONS (4.1% AND TARGETED PAY RAISE)	223,861	
RESULT OF DECREASE IN WORKYEARS	-21,316	
INCREASE DUE TO CHANGE IN PAYGRADE MIX	63,614	
DEFENSE HEALTH PROGRAM ACCRUAL		1,460,429
IMPLEMENTATION OF DEFENSE HEALTH PROGRAM ACCRUAL FOR MEDICARE-ELIGIBLE RETIREES	1,460,429	
INCENTIVE PAY		13,274
DECREASE IN FLYING DUTY DUE TO GATE MIX	-233	
INCREASE IN SUBMARINE PAY NUMBER (+13,021) AND RATE (+382)	13,403	
INCREASE IN NUMBER ENTITLED TO PARACHUTE JUMPING	55	
INCREASE IN DEMOLITION DUTY PAY NUMBER ENTITLED	49	
SPECIAL PAY		118,108
DECREASE IN NUMBER ENTITLED TO IMMINENT DANGER PAY	-2,208	
IMPLEMENT CAREER SEA PAY REFORM	119,208	
INCREASE FOR DISTRIBUTION INCENTIVE PAY	1,000	
INCREASE IN NUMBER ENTITLED TO DIVING DUTY PAY (+545) AND DECREASE IN RATE (-437)	108	
REENLISTMENT BONUS		25,880
INCREASE IN ANNIVERSARY PAYMENT LEVEL (+27,296) AND DECREASE IN RATES (-3,416)	23,880	
INCREASE IN DISTRIBUTION SRB	2,000	
CHANGE IN NUMBER OF NEW PAYMENT (+6,632) AND DECREASE IN RATES (-6,632)	0	
ENLISTMENT BONUS		2,186
INCREASE IN NUMBER ENTITLED TO RESIDUAL PAYMENTS	-774	
INCREASE IN NUMBER ENTITLED TO NEW PAYMENTS	2,960	

(IN THOUSANDS OF DOLLARS)

EDUCATIONAL BENEFITS		10
INCREASE IN 30K PROGRAM NUMBER (+587) AND DECREASE IN RATE (-1,652)	-1,065	
INCREASE IN 40K PROGRAM NUMBER (+5,190) AND DECREASE IN RATE (-1,828)	3,362	
DECREASE IN 50K PROGRAM NUMBER (-1,808) AND RATE (-357)	-2,165	
ELIMINATION OF 25K PROGRAM	-122	
BASIC ALLOWANCE FOR HOUSING (BAH)		197,948
ANNUALIZATION OF FY 2002 HOUSING RATE GROWTH	36,965	
FY 2003 HOUSING RATE GROWTH 3.9%	110,898	
INCREASE IN WORKYEARS	5,223	
INCREASED HOUSING AVAILABLE DUE TO EXPANSION OF PPV	39,932	
INCREASE FOR E-4S AND BELOW WHILE ON PCS ORDERS	11,500	
INCREASE DUE TO CHANGE IN PAYGRADE MIX	1,529	
DECREASE IN OVERSEAS HOUSING DUE TO MORE FAVORABLE FOREIGN CURRENCY RATES	-8,099	
CONUS COLA		3,609
INCREASE IN RATES (+314) AND NUMBER ENTITLED (+3,295)	3,609	
FAMILY SEPARATION ALLOWANCE		61
ANNUALIZATION OF FY 2002 PAY RAISE	17	
FY 2003 PAY RAISE ACTIONS (4.1% AND TARGETED PAY RAISE)	44	
SEPARATION PAYMENTS		27,504
ANNUALIZATION OF FY 2002 PAY RAISE	701	
FY 2003 PAY RAISE ACTIONS (4.1% AND TARGETED PAY RAISE)	2,082	
INCREASE IN NUMBER ENTITLED TO SEVERANCE PAY NON DISABILITY (+1,617) AND RATE (+680)	2,297	
INCREASE IN NUMBER ENTITLED TO DISABILITY SEVERANCE PAY (+4,735) AND RATE (+2,024)	6,759	
DECREASE IN LUMP SUM PAYMENTS NUMBER	-1,540	
INCREASE IN \$30,000 LUMP SUM BONUS	17,405	
DECREASE IN VOLUNTARY SEPARATION BASED ON VETERANS ADMINISTRATION DATA	-200	
FICA		27,102
ANNUALIZATION OF FY 2002 PAY RAISE	7,340	
FY 2003 PAY RAISE ACTIONS (4.1% AND TARGETED PAY RAISE)	17,125	
RESULT OF DECREASE IN WORKYEARS	-1,631	
INCREASE DUE TO CHANGE IN PAYGRADE MIX	4,268	
TOTAL INCREASES		2,280,418

(IN THOUSANDS OF DOLLARS)

DECREASES

RETIRE PAY ACCRUAL		-102,388
ANNUALIZATION OF FY 2002 PAY RAISE	26,471	
FY 2003 PAY RAISE ACTIONS (4.1% AND TARGETED PAY RAISE)	61,766	
DECREASE IN THE NORMAL COST PERCENTAGE FROM 30.3% IN FY 2002 TO 27.4% IN FY 2003	-203,358	
DECREASE IN WORKYEARS	-6,452	
INCREASE DUE TO CHANGE IN PAYGRADE MIX	19,185	

OVERSEAS STATION ALLOWANCE		-5,418
DECREASE IN TEMPORARY LODGING ALLOWANCE	-2,426	
DECREASE IN FOREIGN CURRENCY RATES (-1,624) AND DECREASE IN NUMBERS ENTITLED TO OVERSEAS COLA (-1,368)	-2,992	

CLOTHING ALLOWANCES		-2,909
DECREASE IN NUMBER ENTITLED TO REPLACEMENT CLOTHING (-6,209) AND INCREASE IN RATES (+1,458)	-4,751	
DECREASE IN NUMBER ENTITLED TO INITIAL CLOTHING (-173) AND INCREASE IN RATES (+2,015)	1,842	

TOTAL DECREASES		-110,715
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FY 2003 DIRECT PROGRAM		\$15,046,427
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(IN THOUSANDS OF DOLLARS)

PROJECT: 2-A BASIC PAY

FY 2003	ESTIMATE	\$7,434,536
FY 2002	ESTIMATE	\$7,012,343
FY 2001	ACTUAL	\$6,445,775

PART I - PURPOSE AND SCOPE

FUNDS REQUESTED PROVIDE FOR BASIC COMPENSATION (37 U.S.C.) OF ENLISTED PERSONNEL ON ACTIVE DUTY, ACCORDING TO PAY GRADE AND LENGTH OF SERVICE INCREMENTS. THE ESTIMATE EXCLUDES THOSE ENLISTED MEMBERS OF THE RESERVE COMPONENT ON ACTIVE DUTY SERVING IN CONNECTION WITH THE ORGANIZING, ADMINISTERING, RECRUITING, INSTRUCTING AND TRAINING OF THE RESERVE COMPONENTS (10 U.S.C. 12310).

PART II - JUSTIFICATION OF FUNDS REQUESTED

THE FY 2002 ENLISTED PROGRAM IS BASED ON A END STRENGTH OF 318,259 AND 316,128 WORKYEARS. FY 2003 IS BASED ON AN END STRENGTH OF 317,834 AND 315,170 WORKYEARS. COSTS ARE CALCULATED ON THE BASIS OF GRADE DISTRIBUTION AND AVERAGE RATES EXPERIENCED. EFFECTIVE 01 JANUARY 2002 A MINIMUM PAYRAISE OF 5.0% IS BUDGETED FOR ALL PAY GRADES WITH SELECTED INCREASES AVERAGING UP TO 10% FOR CERTAIN TARGETED PAY GRADES. FY 2003 INCLUDES A 4.1% PAY RAISE EFFECTIVE 01 JANUARY WITH OPTIONAL TARGETED PAY RAISES FOR MID-GRADE NCO'S.

COMPUTATION OF FUND REQUIREMENTS IS PROVIDED IN THE FOLLOWING TABLE:

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
PAY GRADE E-9	2,979	\$45,373.93	\$135,169	3,154	\$49,262.55	\$155,374	3,231	\$51,868.91	\$167,588
E-8	6,252	37,245.84	232,861	6,505	40,245.45	261,797	6,641	42,640.97	283,179
E-7	22,654	31,782.35	719,997	23,406	34,684.77	811,832	24,389	37,249.86	908,487
E-6	53,829	26,798.31	1,442,526	52,988	29,004.98	1,536,916	53,078	30,651.56	1,626,924
E-5	69,742	21,445.85	1,495,676	72,111	23,144.04	1,668,940	74,689	24,378.61	1,820,814
E-4	64,712	17,323.00	1,121,006	64,921	18,653.38	1,210,996	66,847	19,512.92	1,304,380
E-3	48,924	14,515.10	710,137	48,357	15,640.31	756,318	43,717	16,357.38	715,096
E-2	26,264	13,749.73	361,123	25,429	14,636.67	372,196	24,591	15,287.01	375,923
E-1	19,822	11,466.05	227,280	19,257	12,357.79	237,974	17,987	12,906.29	232,145
TOTAL 2-A	315,178		\$6,445,775	316,128		\$7,012,343	315,170		\$7,434,536

(IN THOUSANDS OF DOLLARS)

PROJECT: 2-B RETIRED PAY ACCRUAL

FY 2003	ESTIMATE	\$2,037,050
FY 2002	ESTIMATE	\$2,122,305
FY 2001	ACTUAL	\$1,905,581

PART I - PURPOSE AND SCOPE

FUNDS REQUESTED WILL PROVIDE FOR THE DEPARTMENT OF DEFENSE CONTRIBUTION TO ITS MILITARY RETIREMENT FUND IN ACCORDANCE WITH 10 U.S.C. 1446. FUNDS ARE PROVIDED TO SUPPORT THE MILITARY RETIREMENT REFORM WHICH CHANGES THE CURRENT RETIREMENT SYSTEM FROM 40% OF THE AVERAGE OF HIGH YEARS OF MONTHLY BASE PAY TO 50% OF HIGH 3 WITH COLA ADJUSTMENTS USING MODIFIED CPI.

PART II - JUSTIFICATION OF FUNDS REQUESTED

THE BUDGETARY ESTIMATES ARE DERIVED AS A PRODUCT OF:

(A) NORMAL COST PERCENT OF 29.6% IN FY 2001, 30.3% IN FY 2002 AND 27.4% IN FY 2003.

(B) THE TOTAL AMOUNT OF BASIC PAY EXPECTED TO BE PAID DURING THE FISCAL YEAR TO MEMBERS OF THE ARMED FORCES.

COST COMPUTATIONS ARE AS FOLLOWS:

	FY 2001	FY 2002	FY 2003
BASE PAY (1-A)	\$6,445,775	\$7,012,343	\$7,434,536
LESS FINES & FORFEITURES	8,000	8,000	8,000
BASE PAY SUBJECT TO RPA	\$6,437,775	\$7,004,343	\$7,426,536

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
RPA	<u>315,178</u>	\$6,046.05	<u>\$1,905,581</u>	<u>316,128</u>	\$6,713.44	<u>\$2,122,305</u>	<u>315,170</u>	\$6,463.34	<u>\$2,037,050</u>
TOTAL 2-B	<u>315,178</u>		<u>\$1,905,581</u>	<u>316,128</u>		<u>\$2,122,305</u>	<u>315,170</u>		<u>\$2,037,050</u>

(IN THOUSANDS OF DOLLARS)

PROJECT: 2-B-1 DEFENSE HEALTH PROGRAM ACCRUAL

FY 2003	ESTIMATE	\$1,460,429
FY 2002	ESTIMATE	\$0
FY 2001	ACTUAL	\$0

PART I - PURPOSE AND SCOPE

THE FUNDS WILL BE USED TO PAY THE HEALTH CARE ACCRUAL AMOUNT IN THE DEPARTMENT OF DEFENSE MEDICARE-ELIGIBLE RETIREE HEALTH CARE FUND FOR THE FUTURE MEDICARE-ELIGIBLE HEALTH CARE COSTS FOR CURRENT MILITARY PERSONNEL.

PART II - JUSTIFICATION OF FUNDS REQUESTED

THESE FUNDS WILL BE USED TO PAY THE HEALTH CARE ACCRUAL AMOUNT INTO THE DEPARTMENT OF DEFENSE MEDICARE-ELIGIBLE RETIREE HEALTH CARE FUND FOR THE FUTURE MEDICARE-ELIGIBLE HEALTH CARE COSTS FOR CURRENT MILITARY PERSONNEL.

FUND REQUIREMENTS ARE PROVIDED IN THE FOLLOWING TABLE:

	<u>FY 2001</u> <u>AMOUNT</u>	<u>FY 2002</u> <u>AMOUNT</u>	<u>FY 2003</u> <u>AMOUNT</u>
DHPA	<u>\$0</u>	<u>\$0</u> <u>\$0</u>	<u>\$1,460,429</u>
TOTAL 2-B-1	<u>\$0</u>	<u>\$0</u> <u>\$0</u>	<u>\$1,460,429</u>

(IN THOUSANDS OF DOLLARS)

PROJECT: 2-C INCENTIVE PAY FOR HAZARDOUS DUTY

FY 2003	ESTIMATE	\$100,889
FY 2002	ESTIMATE	\$87,615
FY 2001	ACTUAL	\$82,300

PART I - PURPOSE AND SCOPE

FUNDS REQUESTED PROVIDE FOR PAY TO ENLISTED PERSONNEL FOR THE FOLLOWING TYPES OF DUTY (37 U.S.C. 301):

- (1) DUTY INVOLVING FREQUENT AND REGULAR PARTICIPATION IN AERIAL FLIGHT AS A CREW OR NON-CREW MEMBER.
- (2) DUTY INVOLVING FREQUENT AND REGULAR PERFORMANCE OF OPERATIONAL SUBMARINE DUTY, RESTRICTED TO MEMBERS WHO HOLD OR ARE IN TRAINING FOR SUBMARINE DUTY DESIGNATOR AND REMAIN IN THE SUBMARINE SERVICE ON A CAREER BASIS.
- (3) DUTY INVOLVING PARACHUTE JUMPING AS AN ESSENTIAL PART OF MILITARY DUTY.
- (4) DUTY INSIDE A HIGH OR LOW PRESSURE CHAMBER; DUTY INVOLVING ACCELERATION OR DECELERATION EXPERIMENTS, OR HUMAN TEST SUBJECT IN THERMAL STRESS EXPERIMENTS.
- (5) DUTY INVOLVING THE DEMOLITION OF EXPLOSIVES AS A PRIMARY DUTY, INCLUDING TRAINING.
- (6) DUTY INVOLVING PARTICIPATION IN FLIGHT OPERATIONS ON SHIPS FROM WHICH AIRCRAFT ARE LAUNCHED.
- (7) DUTY INVOLVING EXPOSURE TO HIGHLY TOXIC FUELS, PESTICIDES OR LABORATORY WORK THAT UTILIZES LIVE DANGEROUS VIRUSES OR BACTERIA.

PART II - JUSTIFICATION OF FUNDS REQUESTED

HAZARDOUS DUTY PAY IS COMPUTED ON THE BASIS OF THE AVERAGE NUMBER OF ENLISTED PERSONNEL WHO ARE ELIGIBLE FOR PAYMENT. AVERAGE RATES FOR SUBMARINE DUTY ARE THOSE PRESCRIBED BY LAW, BASED ON AVERAGE YEARS OF SERVICE BY PAY GRADE. RATES FOR FLYING DUTY CREW MEMBERS ARE PRESCRIBED BY PAY GRADE AND YEARS OF SERVICE GATES. ALL OTHER HAZARDOUS PAYS ARE COMPUTED AT THE STATUTORY RATE OF \$1,800 PER WORKYEAR, EXCEPT FOR THOSE MEMBERS PERFORMING HIGH ALTITUDE/LOW OPENING JUMPS ENTITLED TO \$2,460 PER YEAR.

SUBMARINE SERVICE ENTRY DATE (SSED) FOR NUCLEAR TRAINED PERSONNEL HAS BEEN ESTABLISHED AS THE DATE THE MEMBER STARTED NUCLEAR FIELD "A" SCHOOL. THIS ASSIGNMENT OCCURS UPON GRADUATION FROM NUCLEAR POWER TRAINING UNIT (ABOUT 14 MONTHS AFTER STARTING NUCLEAR FIELD "A" SCHOOL). THIS RESULTS IN AN INCREASE IN ENTITLEMENT (DISPLAYED AS STUDENT MEMBERS) TO SUBMARINE DUTY PAY FOR APPROXIMATELY 800 MEMBERS AT THE E-4 AND E-5 LEVEL. THE PAY ACCRUES WHILE ATTENDING NUCLEAR POWER OPERATOR PIPELINE SCHOOLS AND IS PAID UPON COMPLETION OF TRAINING.

(IN THOUSANDS OF DOLLARS)

COMPUTATION OF FUND REQUIREMENTS IS PROVIDED IN THE FOLLOWING TABLE:

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
(1) FLYING DUTY									
(A) CAREER CREW									
UNDER 4 YAS	1,000	\$1,800.00	\$1,800	1,514	\$1,800.00	\$2,725	1,609	\$1,800.00	\$2,896
4 – 8 YAS	950	2,280.00	2,166	897	2,400.00	2,153	995	2,400.00	2,388
8 – 14 YAS	975	2,760.00	2,691	1,050	3,120.00	3,276	945	3,120.00	2,948
OVER 14 YAS	<u>1,600</u>	<u>3,000.00</u>	<u>4,800</u>	<u>1,380</u>	<u>3,600.00</u>	<u>4,968</u>	<u>1,277</u>	<u>3,600.00</u>	<u>4,597</u>
TOTAL (1)(A)	4,525		11,457	4,841		13,122	4,826		12,829
(B) NON CAREER CREW									
PAY GRADE E-9	2	2,880.00	6	3	2,880.00	9	3	2,880.00	9
E-8	8	2,880.00	23	9	2,880.00	26	10	2,880.00	29
E-7	23	2,880.00	66	24	2,880.00	69	27	2,880.00	78
E-6	96	2,580.00	248	99	2,580.00	255	103	2,580.00	266
E-5	100	2,280.00	228	104	2,280.00	237	111	2,280.00	253
E-4	115	1,980.00	228	121	1,980.00	240	129	1,980.00	255
E-3	13	1,800.00	23	14	1,800.00	25	16	1,800.00	29
E-2	0	1,800.00	0	0	1,800.00	0	0	1,800.00	0
E-1	<u>0</u>	<u>1,800.00</u>	<u>0</u>	<u>0</u>	<u>1,800.00</u>	<u>0</u>	<u>0</u>	<u>1,800.00</u>	<u>0</u>
TOTAL (1)(B)	357		822	374		861	399		919
(C) NON-CREW (HDIP)	<u>85</u>	<u>1,800.00</u>	<u>153</u>	<u>85</u>	<u>1,800.00</u>	<u>153</u>	<u>86</u>	<u>1,800.00</u>	<u>155</u>
TOTAL (1)	4,967		12,432	5,300		14,136	5,311		13,903
(2) SUBMARINE DUTY									
PAY GRADE E-9	272	4,261.03	1,159	279	4,254.48	1,187	280	5,100.00	1,428
E-8	602	4,099.67	2,468	628	4,098.73	2,574	620	4,980.00	3,088
E-7	1,788	3,696.87	6,610	2,022	3,690.90	7,463	1,922	4,860.00	9,341
E-6	4,137	3,098.38	12,818	4,250	3,090.12	13,133	4,286	4,413.90	18,918
E-5	5,275	2,131.75	11,245	5,397	2,093.94	11,301	5,388	2,886.72	15,554
E-4	4,020	1,335.82	5,370	4,200	1,320.00	5,544	3,475	1,572.24	5,464
E-3	1,371	1,008.02	1,382	1,142	996.50	1,138	1,330	995.88	1,325
E-2	954	906.71	865	609	907.89	553	965	905.58	874
E-1	577	900.52	520	412	900.49	371	525	900.00	473
STUDENT	<u>1612</u>		<u>1,543</u>	<u>1,478</u>		<u>1,418</u>	<u>1,690</u>	<u>960.00</u>	<u>1,622</u>
TOTAL (2)	20,608		\$43,980	20,417		\$44,682	20,481		\$58,085

(IN THOUSANDS OF DOLLARS)

	NUMBER	FY 2001 RATE	AMOUNT	NUMBER	FY 2002 RATE	AMOUNT	NUMBER	FY 2003 RATE	AMOUNT
(3) PARACHUTE JUMPING	2,615	\$2,233.37	\$5,840	2,481	\$2,256.20	\$5,597	2,505	\$2,256.20	\$5,652
(4) DUTY INSIDE A HIGH OR LOW PRESSURE CHAMBER, INSIDE OBSERVER, HUMAN ACCELERATION OR DECELERATION EXPERIMENTAL OBSERVER AND TEST SUBJECT IN THERMAL STRESS EXPERIMENTS	310	1,800.00	558	375	1,800.00	675	375	1,800.00	675
(5) DEMOLITION DUTY	2,798	1,800.00	5,036	2,714	1,800.00	4,885	2,741	1,800.00	4,934
(6) FLIGHT DECK DUTY	8,019	1,800.00	14,434	9,674	1,800.00	17,413	9,674	1,800.00	17,413
(7) TOXIC MATERIAL PAY	11	1,800.00	<u>20</u>	126	1,800.00	<u>227</u>	126	1,800.00	<u>227</u>
TOTAL 2-C			<u>\$82,300</u>			<u>\$87,615</u>			<u>\$100,889</u>

(IN THOUSANDS OF DOLLARS)

PROJECT: 2-D SPECIAL PAY

FY 2003	ESTIMATE	\$372,308
FY 2002	ESTIMATE	\$254,200
FY 2001	ACTUAL	\$251,689

PART I - PURPOSE AND SCOPE

FUNDS REQUESTED PROVIDE FOR SPECIAL PAY TO ENLISTED PERSONNEL AS FOLLOWS:

- (1) SEA PAY (37 U.S.C. 305A):
 - (A) CAREER SEA PAY - A VARIABLE AMOUNT PAID MONTHLY TO ENLISTED PERSONNEL WHO ARE PERMANENTLY OR TEMPORARILY SERVING ON A SHIP OR WHILE SERVING AS A MEMBER OF THE OFF-CREW OF A TWO-CREW SUBMARINE.
 - (B) PREMIUM SEA PAY - \$100 PER MONTH PAID TO ENLISTED PERSONNEL WHO ARE ENTITLED TO CAREER SEA PAY; HAVE LESS THAN FIVE YEARS OF SEA DUTY AND HAVE SERVED MORE THAN 36 CONSECUTIVE MONTHS ON SEA DUTY.
- (2) HARDSHIP DUTY PAY (37 U.S.C. 305) - A MONTHLY AMOUNT PAYABLE TO ENLISTED PERSONNEL ON DUTY AT SPECIFIC LOCATIONS AND SPECIAL MISSIONS EFFECTIVE 1 JANUARY 2001.
- (3) DIVING DUTY PAY (37 U.S.C. 304) - A MONTHLY AMOUNT WHICH VARIES DEPENDING ON SKILL/CLASS OF DIVER, PAYABLE TO MEMBERS ASSIGNED TO DIVING DUTY WHO MAINTAIN THEIR PROFICIENCY AS DIVERS.
- (4) NUCLEAR ACCESSION BONUS (37 U.S.C. 312B) - A BONUS OF \$10,000 PAID TO AN INDIVIDUAL UPON ACCEPTANCE FOR NAVAL NUCLEAR POWER TRAINING WHO AGREES TO PARTICIPATE IN A PROGRAM OF TRAINING FOR DUTY IN CONNECTION WITH THE SUPERVISION, OPERATION AND MAINTENANCE OF NAVAL NUCLEAR PROPULSION PLANTS.
- (5) OVERSEAS EXTENSION PAY (37 U.S.C. 314) - A MONTHLY AMOUNT OF \$80 PAYABLE TO ENLISTED MEMBERS IN CERTAIN SPECIALTIES WHO HAVE COMPLETED A TOUR OF DUTY AT AN OVERSEAS LOCATION AND EXECUTED AN AGREEMENT TO EXTEND THAT TOUR FOR A PERIOD OF NOT LESS THAN 1 YEAR.
- (6) IMMINENT DANGER PAY (37 U.S.C. 310) - A MONTHLY AMOUNT OF \$150 PAYABLE TO MEMBERS IN DESIGNATED HOSTILE AREAS OR TO MEMBERS WHO ARE EXPOSED TO HOSTILE FIRE OR EXPLOSION OF HOSTILE MINES, OR MEMBERS WHO ARE IN A FOREIGN COUNTRY IN WHICH MEMBER WAS SUBJECT TO THE THREAT OF PHYSICAL HARM OR IMMINENT DANGER ON THE BASIS OF CIVIL INSURRECTION, CIVIL WAR, TERRORISM, OR WARTIME CONDITIONS.
- (7) FOREIGN LANGUAGE PROFICIENCY PAY (37 U.S.C. 316) - MILITARY SPECIALTY REQUIRES PROFICIENCY IN A FOREIGN LANGUAGE WITH A MONTHLY PAYMENT NOT TO EXCEED \$300. THIS PAY IMPROVES LINGUISTIC READINESS ACROSS THE ACTIVE AND RESERVE COMPONENTS.

(IN THOUSANDS OF DOLLARS)

(8) PERSONAL MONEY ALLOWANCE (37 U.S.C. 414) - PAID TO THE MASTER CHIEF PETTY OFFICER OF THE NAVY TO DEFRAY EXPENSES INCURRED IN CONNECTION WITH OFFICIAL DUTIES .

(9) DISTRIBUTION INCENTIVE PAY (37 U.S.C. 305) – ENABLES THE SERVICES TO PAY A FLEXIBLE, MARKET BASED INCENTIVE TO ENCOURAGE ENLISTED MEMBERS TO VOLUNTEER FOR DIFFICULT-TO-FILL JOBS OR LESS DESIRABLE GEOGRAPHIC LOCATIONS.

PART II - JUSTIFICATION OF FUNDS REQUESTED

SPECIAL PAY IS COMPUTED BY APPLYING STATUTORY RATES TO THE AVERAGE NUMBER OF PERSONNEL WHO ARE ELIGIBLE FOR PAYMENT.

COMPUTATION OF FUND REQUIREMENTS IS PROVIDED IN THE FOLLOWING TABLE:

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
(1) SEA DUTY									
(A) CAREER SEA PAY									
PAY GRADE E-9	696	\$4,775.88	\$3,324	698	\$4,775.88	\$3,334	835	\$5,306.44	\$4,849
E-8	1,531	4,388.40	6,719	1,538	4,388.40	6,749	1,936	5,337.24	10,335
E-7	6,459	4,154.40	26,833	6,489	4,154.40	26,958	6,956	5,010.48	34,853
E-6	16,827	3,491.52	58,752	16,905	3,491.52	59,024	16,255	4,148.28	67,431
E-5	22,938	2,456.16	56,339	23,045	2,456.16	56,602	26,803	2,937.48	78,734
E-4	29,499	1,195.80	35,275	29,633	1,195.80	35,435	32,182	1,724.52	55,499
E-3	0	0.00	0	0	0.00	0	24,093	642.88	15,489
E-2	0	0.00	0	0	0.00	0	12,361	559.10	6,911
E-1	0	0.00	0	0	0.00	0	4,156	555.58	2,308
TOTAL (1)(A)	77,950		187,242	78,308		188,102	125,578		276,409
(B) PREMIUM SEA	11,061	1,200.00	13,273	9,869	1,200.00	11,843	35,620	1,200.00	42,744
TOTAL (1)			\$200,515			\$199,945			\$319,153

(IN THOUSANDS OF DOLLARS)

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
(2) HARDSHIP DUTY PAY									
PAY GRADE E-9	102	\$67.50	\$7						
E-8	265	67.50	18						
E-7	878	67.50	59						
E-6	2,290	60.00	137						
E-5	1,858	48.00	89						
E-4	2,554	39.00	100						
E-3	1,671	27.00	45						
E-2	732	24.00	18						
E-1	192	24.00	<u>5</u>						
SUBTOTAL HDP	10,542		478						
HDP MISSION	28	1,800.00	50	28	1,800.00	50	28	1,800.00	50
HDP LOCATION	3,216	1,350.00	4,342	2,768	1,800.00	4,983	2,768	1,800.00	4,983
	39	900.00	35	39	1,200.00	47	39	1,200.00	47
	4,922	450.00	<u>2,215</u>	4,922	600.00	<u>2,953</u>	4,922	600.00	<u>2,953</u>
SUBTOTAL HDP LOCATION			6,592			7,983			7,983
TOTAL (2)			7,120			8,033			8,033
(3) DIVING DUTY PAY	4,250	2,530.59	10,755	4,135	2,631.44	10,881	4,342	2,530.94	10,989
(4) NUCLEAR ACCESSION BONUS	191	10,000	1,910	215	10,000.00	2,150	215	10,000.00	2,150
(5) OVERSEAS EXTENSION PAY	699	960.00	671	800	960.00	768	800	960.00	768
(6) IMMINENT DANGER PAY	15,827	1,800.00	28,489	15,433	1,800.00	27,779	14,206	1,800.00	25,571
(7) FOREIGN LANGUAGE PROFICIENCY PAY	738	3,018.00	2,227	1,538	3,018.00	4,642	1,538	3,018.00	4,642
(8) PERSONAL MONEY ALLOWANCE	1	2,000.00	2	1	2,000.00	2	1	2,000.00	2
(9) DISTRIB. INC. PAY	0	0.00	<u>0</u>	0	0.00	<u>0</u>	0	0.00	<u>1,000</u>
TOTAL 2-D			<u>\$251,689</u>			<u>\$254,200</u>			<u>\$372,308</u>

(IN THOUSANDS OF DOLLARS)

PROJECT: 2-E SPECIAL DUTY ASSIGNMENT PAY AND PROFICIENCY PAY

FY 2003	ESTIMATE	\$59,935
FY 2002	ESTIMATE	\$59,935
FY 2001	ACTUAL	\$61,808

PART I - PURPOSE AND SCOPE

SPECIAL DUTY ASSIGNMENT PAY (37 U.S.C. 307) - PROVIDES FOR PAYMENTS TO ENLISTED PERSONNEL TO OBTAIN A SUFFICIENT NUMBER OF QUALIFIED VOLUNTEERS TO SUSTAIN ADEQUATE MANNING LEVELS IN DESIGNATED SPECIAL DUTY ASSIGNMENTS.

PART II - JUSTIFICATION OF FUNDS REQUESTED

THE ESTIMATE IS BASED ON THE AVERAGE NUMBER OF PERSONNEL REQUIRED IN THE FOLLOWING SKILLS:

NUCLEAR PROPULSION PLANT SUPERVISOR	AIRCREWMAN	HARBOR PILOTS, UNLIMITED
SHIPBOARD ENGINEERING PLANT PROGRAM MGR	C9 CREW CHIEF	RECRUITERS
MAIN PROPULSION ASST ON MCM AND MHC	MCM HELO AIRCREWMEN	DIVERS
ACOUSTIC INTELLIGENCE SPECIALIST	INDEPENDENT DUTY HOSPITAL CORPSMEN	HELICOPTER RESCUE AIR CREWMAN
ASW/AIR INTERCEPT CONTROLLER/SUPERVISORS	EOD TECHNICIAN	SPECIAL OPERATIONS TECHNICIAN
JCS JOINT COMM UNIT	P-3 FLIGHT ENGINEER	LAMPS MK III ATACO
HELICOPTER MINE COUNTERMEASURES	COMBATANT SWIMMER	NAVAL TEST PARACHUTISTS
COXSWAIN	AIR INTERCEPT CONTROLLER/SUPERVISOR	WHITE HOUSE COMMUNICATIONS PERSONNEL
ON-SITE INSPECTION PERSONNEL	SDV PILOT/NAVIGATOR	COMBATANT CRAFT MEMBER
JOINT SPECIAL OPERATIONS PERSONNEL	ASW/ASUW TACT AIR CTRL(ASTAC)	PERSONNEL RESOURCE DEVELOPMENT OFF
SHIP ENGINEERING PLANT PROGRAM MANAGER	COMMAND MASTER CHIEFS	SHIPBOARD TACTICAL DATA SYSTEM TECH

CAREER RECRUITER FORCE ARE NAVY'S PROFESSIONAL SALES FORCE OF PROVEN RECRUITERS, RESPONSIBLE FOR TRAINING AND SUPERVISION OF FLEET SAILORS ASSIGNED TO RECRUITING DUTY.

COMPUTATION OF FUND REQUIREMENTS IS PROVIDED IN THE FOLLOWING TABLES:

(IN THOUSANDS OF DOLLARS)

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
SPECIAL DUTY ASSIGNMENT PAY (SDAP)									
\$425	0	\$5,100.00	\$0	0	\$5,100.00	\$0	0	\$5,100.00	\$0
\$350	1,883	4,200.00	7,909	1,066	4,200.00	4,477	1,066	4,200.00	4,477
\$275	3,367	3,300.00	11,111	4,152	3,300.00	13,702	4,152	3,300.00	13,702
\$220	360	2,640.00	950	325	2,640.00	858	325	2,640.00	858
\$175	702	2,100.00	1,474	430	2,100.00	903	430	2,100.00	903
\$165	1,628	1,980.00	3,223	1,490	1,980.00	2,950	1,490	1,980.00	2,950
\$150	2,551	1,800.00	4,592	2,675	1,800.00	4,815	2,675	1,800.00	4,815
\$110	3,785	1,320.00	4,996	2,548	1,320.00	3,363	2,548	1,320.00	3,363
\$100	3,093	1,200.00	3,712	2,589	1,200.00	3,107	2,589	1,200.00	3,107
\$75	1,536	900.00	1,382	1,114	900.00	1,003	1,114	900.00	1,003
\$55	1,110	660.00	733	3,420	660.00	2,257	3,420	660.00	2,257
\$50	0	600.00	0	0	600.00	0	0	600.00	0
TOTAL SDAP	20,015		40,082	19,809		37,435	19,809		37,435
RECRUITER (\$375)	4,828	4,500.00	21,726	5,000	4,500.00	22,500	5,000	4,500.00	22,500
TOTAL 2-E	24,843		\$61,808	24,809		\$59,935	24,809		\$59,935

(IN THOUSANDS OF DOLLARS)

PROJECT: 2-F REENLISTMENT BONUS

FY 2003	ESTIMATE	\$360,219
FY 2002	ESTIMATE	\$334,339
FY 2001	ACTUAL	\$335,810

PART I - PURPOSE AND SCOPE

REENLISTMENT BONUS (37 U.S.C. 308) - PROVIDES A BONUS TO ENLISTED PERSONNEL WHO REENLIST IN A SKILL CHARACTERIZED BY INADEQUATE MANNING, LOW RETENTION, AND HIGH REPLACEMENT COSTS. PAYABLE TO AN INDIVIDUAL WITH BETWEEN TWENTY-ONE MONTHS AND FOURTEEN YEARS ACTIVE SERVICE. PAYMENT IS BASED ON MONTHLY BASIC PAY TIMES A SPECIFIED AWARD LEVEL (NOT TO EXCEED 10) TIMES THE NUMBER OF ADDITIONAL YEARS OF OBLIGATED SERVICE (NOT TO EXCEED 6). OBLIGATED SERVICE IN EXCESS OF SIXTEEN YEARS IS NOT USED IN THE COMPUTATION. THE MAXIMUM PAYMENT IS \$60,000. WHILE THERE IS AUTHORITY FOR \$60,000 PAYMENT, THE NAVY HAS NO PLANS OF MAKING A PAYMENT OF THIS AMOUNT.

DISTRIBUTION SRB - THIS PILOT PROPOSAL WOULD AUTHORIZE PAYMENT OF A DIFFERENTIALLY HIGHER SRB TO MEMBERS WILLING TO REENLIST FOR ORDERS TO PARTICULAR TYPES OF DUTY. IF THE MEMBER IS IN A CRITICAL SKILL, THE DISTRIBUTION SRB ACTS AS A "KICKER" TO THE EXISTING SRB LEVEL; IF THE MEMBER'S SKILL DOES NOT RECEIVE AN SRB, THIS PROGRAM WOULD ESTABLISH ONE. THE DIFFERENTIALS WILL VARY BASED ON THE RELATIVE DIFFICULTY OF MANNING SEA AND SHORE BILLETS IN THAT SKILL. IT IS EXPECTED THAT DISTRIBUTION OF SRB WILL IMPROVE VOLUNTARY MANNING FOR SEA DUTY (AND ARDUOUS SHORE DUTY) AS WELL AS OVERALL RETENTION IN THOSE SKILLS.

PART II - JUSTIFICATION OF FUNDS REQUESTED

THE RATES INCLUDE PAY RAISES.

TWENTY MOST UNDERMANNED CRITICAL SKILLS

FIRE CONTROLMAN (FC)
ELECTRONIC TECHNICIAN, SURFACE WARFARE (ETSW)
CRYPTOLOGIC TECHNICIAN COLLECTION (CTR)
AVIATION STRUCTURAL MECHANIC STRUCTURAL (AMS)
DATA PROCESSING TECHNICIAN (DP)
AVIATION STRUCTURAL MECHANIC EQUIPMENT (AME)
MINEMAN (MN)
AIR TRAFFIC CONTROLLER (AC)
CRYPTOLOGIC TECHNICIAN, SURFACE (STG)

NUCLEAR FIELD (ET, MM, EM)
AVIATION SUPPORT EQUIPMENT (AS)
INTELLIGENCE SPECIALIST (IS)
AEROGRAPHER'S MATE (AG)
CRYPTOLOGIC TECHNICIAN, TECHNICAL (CTT)
AVIATION ORDINANCEMAN (AO)
ELECTRONIC WARFARE TECHNICIAN (EW)
FIRE CONTROL TECHNICIAN (FT)
CRYPTOLOGIC TECHNICIAN INTERPRETER (CTI)
MISSILE TECHNICIAN (MT)

COMPUTATION OF FUND REQUIREMENTS IS PROVIDED IN THE FOLLOWING TABLE:

(IN THOUSANDS OF DOLLARS)

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
SELECTIVE									
INITIAL PAYMENTS	21,356	\$10,957.11	\$234,000	15,875	\$11,716.54	\$186,000	15,279	\$12,173.57	\$186,000
ANNIVERSARY PAYMENTS	46,162	2,205.49	101,810	56,733	2,561.81	145,339	60,261	2,808.10	169,219
DISTRIBUTION SRB			<u>0</u>			<u>3,000</u>			<u>5,000</u>
TOTAL 2-F	<u>67,518</u>		<u>\$335,810</u>	<u>72,608</u>		<u>\$334,339</u>	<u>75,540</u>		<u>\$360,219</u>

(IN THOUSANDS OF DOLLARS)

	FY 2001		FY 2002		FY 2003		FY 2004		FY 2005		FY 2006		FY 2007	
	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT
PRIOR OBLIGATIONS	44,031	\$98,187	33,844	\$80,162	22,101	\$55,587	12,692	\$31,610	5,680	\$14,435				
ACCELERATED PAYMENTS	2,131	3,623	2,131	3,623	2,131	3,623	2,131	3,623	2,131	3,623	2,131	3,623	2,131	3,623
FY 2001 NEW ANNIVERSARY ADV / REM	21,356	234,000	20,798	61,554	20,705	61,271	17,862	52,616	11,895	33,315	8,274	21,627		
FY 2002 NEW ANNIVERSARY ADV / REM			15,875	186,000	15,324	48,738	15,257	48,510	13,156	41,653	8,761	26,368	6,093	17,110
FY 2003 NEW ANNIVERSARY ADV / REM					15,279	186,000	14,728	48,738	14,664	48,510	12,644	41,653	8,420	26,368
FY 2004 NEW ANNIVERSARY ADV / REM							12,681	160,394	12,130	41,901	12,079	41,705	10,411	35,804
FY 2005 NEW ANNIVERSARY ADV / REM									12,429	163,335			11,828	42,486
FY 2006 NEW ANNIVERSARY ADV / REM											12,773	174,408	12,222	45,643
FY 2007 NEW ANNIVERSARY ADV / REM													12,969	183,987
TOTAL NEW ANNIVERSARY DISTRIBUTION SRB	21,356	234,000	15,875	186,000	15,279	186,000	12,681	160,394	12,429	163,335	12,773	174,408	12,969	183,987
	46,162	101,810	56,733	145,339	60,261	169,219	62,670	185,097	59,656	183,437	55,766	177,662	51,105	171,034
				3,000		5,000		6,000		8,000				
TOTAL SRB	67,518	\$335,810	72,608	\$334,339	75,540	\$360,219	75,351	\$351,491	72,085	\$354,772	68,539	\$352,070	64,074	\$355,021

(IN THOUSANDS OF DOLLARS)

PROJECT: 2-G ENLISTMENT BONUS

FY 2003	ESTIMATE	\$100,561
FY 2002	ESTIMATE	\$98,375
FY 2001	ACTUAL	\$90,795

PART I - PURPOSE AND SCOPE

FUNDS REQUESTED PROVIDE FOR AN ENLISTMENT BONUS (37 U.S.C. 308A). PAYABLE TO A MEMBER WHO ENLISTS FOR A MINIMUM OF FIVE YEARS OR EXTENDS ACTIVE DUTY OBLIGATION AT LEAST ONE YEAR BEYOND THE NORMAL ENLISTMENT IN A DESIGNATED SKILL. ELIGIBLE SKILLS ARE CHARACTERIZED BY AN ENLISTMENT RATE LESS THAN THAT REQUIRED TO ENSURE ADEQUATE FIRST TERM MANNING. THE ENLISTMENT BONUS PROGRAM IS UNIQUE IN THAT THE BONUS IS CONTRACTUALLY OBLIGATED AT THE TIME OF ENLISTMENT INTO THE DELAYED ENTRY PROGRAM (DEP), BUT IS NOT PAID UNTIL THE SUCCESSFUL COMPLETION OF ALL TRAINING LEADING TO DESIGNATION IN THE SKILL. IN THE CASE OF NUCLEAR FIELD CANDIDATES, PAYMENT OF THE BONUS OCCURS 24 TO 36 MONTHS AFTER ENLISTMENT IN THE DEP.

PART II - JUSTIFICATION OF FUNDS REQUESTED

THIS BONUS IS PAYABLE UPON COMPLETION OF TRAINING. MOST TRAINING PIPELINES FOR ENLISTMENT BONUS RECIPIENTS ARE APPROXIMATELY TWO YEARS. THE ENLISTED SIGNING BONUS WILL FURTHER ENHANCE RECRUITING EFFORTS TO ENLIST PERSONNEL TO SERVE IN SKILL AREAS DESIGNATED AS CRITICAL.

COMPUTATION OF FUNDING REQUIREMENTS IS PROVIDED IN THE FOLLOWING TABLE:

(IN THOUSANDS OF DOLLARS)

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
NEW PAYMENTS \$1,000	0	\$1,000.00	\$0	0	\$1,000.00	0	0	\$1,000.00	0
\$1,500	0	1,500.00	0	0	1,500.00	0	0	1,500.00	0
\$2,000	1,605	2,000.00	3,210	172	2,000.00	344	118	2,000.00	236
\$2,500	0	2,500.00	0	0	2,500.00	0	0	2,500.00	0
\$2,750	0	2,750.00	0	0	2,750.00	0	0	2,750.00	0
\$3,000	1,151	3,000.00	3,453	663	3,000.00	1,989	661	3,000.00	1,983
\$3,500	0	3,500.00	0	0	3,500.00	0	0	3,500.00	0
\$3,750	0	3,750.00	0	0	3,750.00	0	0	3,750.00	0
\$4,000	1,735	4,000.00	6,940	1,320	4,000.00	5,280	1,273	4,000.00	5,092
\$5,000	320	5,000.00	1,600	594	5,000.00	2,970	555	5,000.00	2,775
\$6,000	524	6,000.00	3,144	598	6,000.00	3,588	549	6,000.00	3,294
\$7,000	151	7,000.00	1,057	411	7,000.00	2,877	389	7,000.00	2,723
\$7,500	0	7,500.00	0	0	7,500.00	0	0	7,500.00	0
\$8,000	147	8,000.00	1,176	252	8,000.00	2,016	229	8,000.00	1,832
\$9,000	206	9,000.00	1,854	0	9,000.00	0	0	9,000.00	0
\$9,500	0	9,500.00	0	0	9,500.00	0	0	9,500.00	0
\$10,000	63	10,000.00	630	36	10,000.00	360	30	10,000.00	300
\$11,000	0	11,000.00	0	113	11,000.00	1,243	82	11,000.00	902
\$12,000	0	12,000.00	0	24	12,000.00	288	21	12,000.00	252
\$13,000	0	13,000.00	0	0	13,000.00	0	0	13,000.00	0
\$14,000	0	14,000.00	0	0	14,000.00	0	0	14,000.00	0
\$15,000	0	15,000.00	0	0	15,000.00	0	0	15,000.00	0
\$16,000	0	16,000.00	0	0	16,000.00	0	0	16,000.00	0
\$17,000	0	17,000.00	0	0	17,000.00	0	0	17,000.00	0
SUBTOTAL NEW PAYMENTS	5,902		\$23,064	4,183		\$20,955	3,907		\$19,389
GENDETS	1,004		5,020	3,816		9,400	4,850		13,926
SIGNING BONUS	0		0	0		0	0		0
TOTAL NEW	6,906		\$28,084	7,999		\$30,355	8,757		\$33,315

(IN THOUSANDS OF DOLLARS)

		FY 2001			FY 2002			FY 2003		
		NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
RESIDUAL PAYMENTS	\$500	0	\$500.00	0	0	\$15,000.00	0	0	\$500.00	0
	\$1,000	0	1,000.00	0	0	16,000.00	0	0	1,000.00	0
	\$1,500	0	1,500.00	0	0	17,000.00	0	0	1,500.00	0
	\$2,000	2,450	2,000.00	4,900	0	18,000.00	0	426	2,000.00	852
	\$2,500	0	2,500.00	0	0	19,000.00	0	0	2,500.00	0
	\$2,750	0	2,750.00	0	0	20,000.00	0	0	2,750.00	0
	\$3,000	3,897	3,000.00	11,691	307	3,000.00	921	1,071	3,000.00	3,213
	\$3,250	0	3,250.00	0	0	3,250.00	0	0	3,250.00	0
	\$3,500	13	3,500.00	46	108	3,500.00	378	0	3,500.00	0
	\$3,750	0	3,750.00	0	0	3,750.00	0	0	3,750.00	0
	\$4,000	443	4,000.00	1,772	416	4,000.00	1,664	2,020	4,000.00	8,080
	\$4,500	0	4,500.00	0	0	4,500.00	0	0	4,500.00	0
	\$5,000	465	5,000.00	2,325	624	5,000.00	3,120	680	5,000.00	3,400
	\$6,000	510	6,000.00	3,060	1,051	6,000.00	6,306	714	6,000.00	4,284
	\$7,000	343	7,000.00	2,401	1,443	7,000.00	10,101	1,286	7,000.00	9,002
	\$7,500	0	7,500.00	0	8	7,500.00	60	0	7,500.00	0
	\$8,000	602	8,000.00	4,816	552	8,000.00	4,416	1,203	8,000.00	9,624
	\$9,000	153	9,000.00	1,377	611	9,000.00	5,499	190	9,000.00	1,710
	\$9,500	0	9,500.00	0	0	9,500.00	0	0	9,500.00	0
	\$10,000	411	10,000.00	4,110	372	10,000.00	3,720	876	10,000.00	8,760
	\$11,000	1,107	11,000.00	12,177	737	11,000.00	8,107	216	11,000.00	2,376
	\$12,000	803	12,000.00	9,636	1,035	12,000.00	12,420	453	12,000.00	5,436
	\$13,000	0	13,000.00	0	536	13,000.00	6,968	259	13,000.00	3,367
	\$14,000	0	14,000.00	0	84	14,000.00	1,176	144	14,000.00	2,016
	\$15,000	0	15,000.00	0	47	15,000.00	705	46	15,000.00	690
	\$16,000	0	16,000.00	0	27	16,000.00	432	0	16,000.00	0
	\$17,000	0	17,000.00	0	16	17,000.00	272	0	17,000.00	0
	\$18,000	0	18,000.00	0	12	18,000.00	216	0	18,000.00	0
	\$19,000	0	19,000.00	0	16	19,000.00	304	0	19,000.00	0
	\$20,000	0	20,000.00	0	16	20,000.00	320	0	20,000.00	0
SUBTOTAL RESIDUAL PAYMENTS		11,197		58,311	8,018		67,105	9,584		62,810
GENDETS		3,317		4,400	402		915	2,218		4,436
TOTAL RESIDUAL		<u>14,514</u>		<u>62,711</u>	<u>8,420</u>		<u>68,020</u>	<u>11,802</u>		<u>67,246</u>
TOTAL 2-G		<u>21,420</u>		<u>\$90,795</u>	<u>16,419</u>		<u>\$98,375</u>	<u>20,559</u>		<u>\$100,561</u>

(IN THOUSANDS OF DOLLARS)

		FY 2001		FY 2002		FY 2003		FY 2004		FY 2005		FY 2006		FY 2007	
		<u>NUMBER</u> <u>AMOUNT</u>		<u>NUMBER</u> <u>AMOUNT</u>		<u>NUMBER</u> <u>AMOUNT</u>		<u>NUMBER</u> <u>AMOUNT</u>		<u>NUMBER</u> <u>AMOUNT</u>		<u>NUMBER</u> <u>AMOUNT</u>		<u>NUMBER</u> <u>AMOUNT</u>	
PRIOR OBLIGATIONS		14,514	\$62,711	1,601	\$17,816										
FY 2001	INITIAL PAYMENTS	6,906	28,084												
	RESIDUAL PAYMENTS			6,819	50,204	2,244	17,623								
	INSTALLMENTS														
FY 2002	INITIAL PAYMENTS			7,999	30,355										
	RESIDUAL PAYMENTS					9,558	49,623	2,485	18,104						
	INSTALLMENTS														
FY 2003	INITIAL PAYMENTS					8,757	33,315								
	RESIDUAL PAYMENTS							10,583	51,016	2,485	18,104				
	INSTALLMENTS														
FY 2004	INITIAL PAYMENTS							5,045	23,041						
	RESIDUAL PAYMENTS									10,583	51,016	2,485	18,104		
	INSTALLMENTS														
FY 2005	INITIAL PAYMENTS									4,929	22,783				
	RESIDUAL PAYMENTS											10,583	51,016	2,485	18,104
	INSTALLMENTS														
FY 2006	INITIAL PAYMENTS											5,048	23,050		
	RESIDUAL PAYMENTS													10,583	51,016
	INSTALLMENTS														
FY 2007	INITIAL PAYMENTS													5,134	23,308
	RESIDUAL PAYMENTS														
	INSTALLMENTS														
TOTAL	INITIAL PAYMENTS	6,906	28,084	7,999	30,355	8,757	33,315	5,045	23,041	4,929	22,783	5,048	23,050	5,134	23,308
	RESIDUAL PAYMENTS	14,514	62,711	8,420	68,020	11,802	67,246	13,068	69,120	13,068	69,120	13,068	69,120	13,068	69,120
	INSTALLMENTS														
TOTAL EB		21,420	\$90,795	16,419	\$98,375	20,559	\$100,561	18,113	\$92,161	17,997	\$91,903	18,116	\$92,170	18,202	\$92,428

(IN THOUSANDS OF DOLLARS)

PROJECT: 2-G-1 EDUCATIONAL BENEFITS

FY 2003	ESTIMATE	\$17,987
FY 2002	ESTIMATE	\$17,977
FY 2001	ACTUAL	\$32,521

PART I - PURPOSE AND SCOPE

FUNDS ARE FOR PAYMENT TO THE DEPARTMENT OF DEFENSE EDUCATION BENEFITS FUNDS, A TRUST FUND. THIS PROGRAM IS GOVERNED BY TITLE 38 U.S.C., CHAPTER 30. THE PROGRAM FUNDS ADDITIONAL AND SUPPLEMENTAL BENEFIT PAYMENTS ABOVE A BASIC BENEFIT TO BE BUDGETED BY THE VETERANS ADMINISTRATION. THIS PROGRAM IS BUDGETED ON AN ACCRUAL BASIS BY THE DEPARTMENT OF DEFENSE. ACTUAL BENEFIT PAYMENTS TO INDIVIDUALS ARE MADE BY THE VETERANS ADMINISTRATION FROM FUNDS TRANSFERRED FROM THE TRUST ACCOUNT. THE NAVY COLLEGE FUND PROGRAM ATTRACTS MEMBERS FOR THREE AND FOUR YEAR COMMITMENTS, PRIMARILY INTO UNDERMANNED HARD TO FILL RATINGS.

PART II - JUSTIFICATION OF FUNDS REQUESTED

THE NAVY COLLEGE FUND IS A CRITICAL ELEMENT IN NAVY'S RECRUITING STRATEGY. THE PURPOSE OF THE NAVY COLLEGE FUND IS TO EXPAND THE RECRUITING MARKET TO INCLUDE COLLEGE BOUND YOUTH. THE ALLURE OF A COLLEGE EDUCATION DOMINATES THE PLANS OF 60-80% OF ALL HIGH SCHOOL SENIORS AND REPRESENTS A MAJOR OBSTRUCTION TO THE RECRUITER. THE NAVY COLLEGE FUND WILL PROVIDE A SOURCE OF HIGH QUALITY RECRUITS, PRIMARILY IN THE CRITICAL SKILL SEA INTENSIVE RATINGS. BY PROVIDING THE RECRUITERS WITH A TOOL TO ADDRESS THIS MARKET, MANY COLLEGE BOUND YOUTH WHO WOULD NOT OTHERWISE HAVE CONSIDERED THE NAVY, ARE EXPOSED TO THE EDUCATIONAL OPPORTUNITIES AND PROGRAMS THAT THE NAVY PROVIDES. THIS PORTION OF THE NAVY COLLEGE FUND PROGRAM PROVIDES AN ADDITIONAL SOURCE OF HIGH QUALITY RECRUITS. THE PROGRAM IS DIRECTED AT THE 17-35 YEAR OLD, NON-PRIOR SERVICE RECRUITS IN APTITUDE CATEGORY I OR II (MINIMUM ASVAB AFQT OF 50) WITH A HIGH SCHOOL DIPLOMA. ENROLLMENT IN THE MONTGOMERY G.I. BILL IS REQUIRED.

COMPUTATION OF FUND REQUIREMENTS IS PROVIDED IN THE FOLLOWING TABLE:

(IN THOUSANDS OF DOLLARS)

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
NAVY COLLEGE FUND PROGRAM									
(4 YEAR COMMITMENT) \$30K	6,594	\$1,899.00	\$12,522	6,589	\$987.00	\$6,503	7,183	\$757.10	\$5,438
(4 YEAR COMMITMENT) \$40K	3,463	4,718.00	16,338	2,000	3,383.00	6,766	3,534	2,866.00	10,128
(4 YEAR COMMITMENT) \$50K	423	8,318.00	3,519	700	6,551.00	4,586	424	5,710.00	2,421
(3 YEAR COMMITMENT) \$25K	<u>119</u>	1,190.00	<u>142</u>	<u>699</u>	174.00	<u>122</u>			
TOTAL 2-G-1	<u>10,599</u>		<u>\$32,521</u>	<u>9,988</u>		<u>\$17,977</u>	<u>11,141</u>		<u>\$17,987</u>

(IN THOUSANDS OF DOLLARS)

PROJECT: 2-R LOAN REPAYMENT PROGRAM

FY 2003	ESTIMATE	\$100
FY 2002	ESTIMATE	\$100
FY 2001	ACTUAL	\$103

PART I - PURPOSE AND SCOPE

THE LOAN REPAYMENT PROGRAM (LRP) IS AUTHORIZED BY PL 99-145, SECTION 2171. THE LRP IS AN ENLISTMENT INCENTIVE DESIGNED TO INCREASE TEST SCOPE CATEGORY I-III.A. THE LRP REPAYS LOANS UP TO THE MAXIMUM CEILING OF \$10,000. ONLY GUARANTEED STUDENT LOANS (GSL)/STAFFORD LOANS, FEDERALLY INSURED STUDENT LOANS (FISL), NATIONAL DIRECT STUDENT LOANS (NDSL)/PERKINS LOANS, OR ANY LOAN COVERED UNDER TITLE IV OF THE HIGHER EDUCATION ACT OF 1965, PARTS B AND E, ARE AUTHORIZED FOR PAYMENT UNDER THE DEPARTMENT OF NAVY LRP.

PART II - JUSTIFICATION OF FUNDS REQUESTED

THE LRP IS A MAJOR ENLISTMENT INCENTIVE PROGRAM.

FUND REQUIREMENTS FOR THIS INCENTIVE PROGRAM ARE PROVIDED IN THE FOLLOWING TABLE:

	<u>FY 2001</u> <u>AMOUNT</u>	<u>FY 2002</u> <u>AMOUNT</u>	<u>FY 2003</u> <u>AMOUNT</u>
NAVY COLLEGE LOAN REPAYMENT	<u>\$103</u>	<u>\$100</u>	<u>\$100</u>
TOTAL 2-R	<u>\$103</u>	<u>\$100</u>	<u>\$100</u>

(IN THOUSANDS OF DOLLARS)

PROJECT: 2-E-1 BASIC ALLOWANCE FOR HOUSING – DOMESTIC

FY 2003	ESTIMATE	\$2,075,003
FY 2002	ESTIMATE	\$1,880,947
FY 2001	ACTUAL	\$1,628,838

PART I - PURPOSE AND SCOPE

CONGRESS APPROVED IN THE FY 1998 NATIONAL DEFENSE AUTHORIZATION ACT THE PAYMENT OF A BASIC ALLOWANCE FOR HOUSING (BAH) TO SERVICE MEMBERS. THE BAH COMBINES HOUSING PAYMENTS FORMERLY PROVIDED BY THE BASIC ALLOWANCE FOR QUARTERS (BAQ) AND THE VARIABLE HOUSING ALLOWANCE (VHA). THE FY 2000 NATIONAL DEFENSE AUTHORIZATION ACT DIRECTED THE BAH TRANSITION TO MARKET-BASED RATES BE ACCELERATED AND COMPLETED DURING FY 2000. PAYMENT TO SERVICE MEMBERS IS AUTHORIZED BY REVISIONS TO 37 U.S.C. 403.

PART II - JUSTIFICATION OF FUNDS REQUESTED

THE FY 2001 PROGRAM REFLECTS FUNDING REQUIRED TO ACCELERATE THE MARKET-BASED HOUSING RATES EFFECTIVE JANUARY 2001. THE FY 2003 ESTIMATES INCLUDE A PROJECTED ANNUAL RATE INCREASE OF 3.9%. HOWEVER, FUTURE HOUSING RATE ADJUSTMENTS MAY RESULT AS CONTRACTOR GENERATED SURVEY DATA OF ACTUAL HOUSING COST BECOMES AVAILABLE. ADDITIONAL FUNDS HAVE BEEN BUDGETED TO REDUCE OUT-OF-POCKET EXPENSES TO 7.5% IN FY 2003.

COMPUTATION OF FUND REQUIREMENTS IS PROVIDED IN THE FOLLOWING TABLE:

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
(1) WITH DEPENDENTS									
PAY GRADE E-9	2,250	\$13,737.21	\$30,909	2,409	\$15,252.56	\$36,750	2,453	\$16,503.26	\$40,486
E-8	4,384	12,571.77	55,115	4,593	13,851.75	63,620	4,747	14,957.74	71,009
E-7	14,575	11,756.79	171,355	15,389	12,956.43	199,392	16,147	13,996.85	226,001
E-6	30,509	10,948.02	334,013	30,260	12,086.42	365,735	31,193	13,059.90	407,377
E-5	29,347	9,571.08	280,882	31,635	10,637.89	336,526	33,753	11,522.56	388,921
E-4	17,377	9,002.19	156,431	18,012	10,134.00	182,532	19,108	10,982.21	209,849
E-3	8,233	8,672.64	71,402	7,959	10,134.00	80,658	7,784	10,982.12	85,485
E-2	2,892	8,654.01	25,028	3,078	10,134.00	31,195	3,044	10,982.12	33,427
E-1	1,447	8,643.45	12,507	1,845	10,134.00	18,693	1,479	10,982.12	16,246
TOTAL (1)	111,014		\$1,137,642	115,180		\$1,315,101	119,708		\$1,478,801
BAH DIFF	10,261		19,155	10,259		19,438	10,482		20,196
TOTAL	121,275		\$1,156,797	125,439		\$1,334,539	130,190		\$1,498,997

(IN THOUSANDS OF DOLLARS)

	NUMBER	FY 2001 RATE	AMOUNT	NUMBER	FY 2002 RATE	AMOUNT	NUMBER	FY 2003 RATE	AMOUNT
(2) WITHOUT DEPENDENTS									
PAY GRADE E-9	211	\$10,884.99	\$2,297	221	\$11,938.32	\$2,638	226	\$12,914.70	\$2,919
E-8	537	10,165.89	5,459	557	11,399.53	6,350	569	12,346.76	7,025
E-7	2,245	9,204.87	20,665	2,341	10,311.49	24,139	2,440	11,167.37	27,248
E-6	7,418	8,519.40	63,197	7,249	9,503.31	68,890	7,261	10,285.71	74,685
E-5	16,731	8,114.79	135,769	17,011	8,931.49	151,934	17,689	9,635.69	170,446
E-4	9,748	7,231.59	70,494	14,156	7,788.94	110,261	14,446	8,335.33	120,412
E-3	4,175	7,151.37	29,857	4,491	7,761.32	34,856	4,131	8,297.42	34,277
E-2	659	7,161.75	4,720	913	7,756.29	7,082	869	8,076.89	7,019
E-1	110	6,920.22	761	188	7,735.00	1,454	174	8,280.73	1,441
TOTAL (2)	41,834		333,219	47,127		407,604	47,805		445,472
(3) PARTIAL ALLOWANCE – BACHELOR									
PAY GRADE E-9	10	223.20	2	11	223.20	2	11	223.20	2
E-8	21	183.60	4	22	183.60	4	23	183.60	4
E-7	126	144.00	18	130	144.00	19	135	144.00	19
E-6	672	118.68	80	662	118.68	79	662	118.68	79
E-5	4,057	104.28	423	4,183	104.28	436	4,349	104.28	454
E-4	25,021	97.20	2,432	25,125	97.20	2,442	25,870	97.20	2,515
E-3	29,418	93.60	2,754	29,116	93.60	2,725	26,322	93.60	2,464
E-2	20,780	86.40	1,795	20,144	86.40	1,740	19,480	86.40	1,683
E-1	16,116	82.80	1,334	15,610	82.80	1,293	14,581	82.80	1,207
TOTAL (3)	96,221		8,842	95,003		8,740	91,433		8,427
(4) INADEQUATE FAMILY HOUSING									
PAY GRADE E-9	0	3,434.30	0	0	3,813.14	0	0	4,125.81	0
E-8	2	3,142.94	6	2	3,462.94	7	2	3,739.44	7
E-7	10	2,939.20	29	10	3,239.11	32	10	3,499.21	36
E-6	24	2,737.10	66	25	3,021.61	76	27	3,264.97	87
E-5	78	2,392.77	187	92	2,641.30	243	93	2,880.73	267
E-4	120	2,250.55	270	122	2,533.50	309	126	2,745.53	347
E-3	158	2,168.16	343	154	2,533.50	390	159	2,745.53	436
E-2	53	2,163.52	115	51	2,533.50	129	53	2,745.53	146
E-1	10	2,160.86	22	10	2,533.50	25	10	2,745.53	28
TOTAL (4)	455		1,038	466		1,212	480		1,354
BAH – DOMESTIC SUBTOTAL	259,785		\$1,499,896	268,035		\$1,752,095	269,908		\$1,954,250

(IN THOUSANDS OF DOLLARS)

BASIC ALLOWANCE FOR HOUSING – OVERSEAS

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
(5) WITH DEPENDENTS									
PAY GRADE E-9	67	\$18,274.80	\$1,224	67	\$19,194.33	\$1,286	67	\$17,957.17	\$1,203
E-8	132	17,926.22	2,366	132	18,835.45	2,486	132	17,599.74	2,323
E-7	555	16,619.23	9,224	555	17,462.72	9,692	555	16,375.73	9,089
E-6	1,337	16,179.23	21,632	1,338	16,990.19	22,733	1,338	15,926.14	21,309
E-5	1,497	16,318.80	24,430	1,498	17,135.73	25,670	1,498	16,059.25	24,056
E-4	693	16,464.93	11,410	693	17,301.22	11,990	693	16,201.66	11,228
E-3	127	15,572.70	1,978	127	16,366.13	2,078	127	15,358.35	1,951
E-2	11	14,357.35	158	11	15,044.23	165	11	13,884.88	153
E-1	<u>1</u>	<u>9,984.25</u>	<u>10</u>	<u>1</u>	<u>9,969.01</u>	<u>10</u>	<u>1</u>	<u>10,238.90</u>	<u>10</u>
TOTAL (5)	4,420		72,432	4,422		76,110	4,422		71,322
(6) WITHOUT DEPENDENTS									
PAY GRADE E-9	13	14,071.11	183	13	13,190.01	171	13	12,299.34	160
E-8	47	15,851.33	745	47	14,795.03	695	47	13,980.33	657
E-7	228	13,903.51	3,170	228	12,977.67	2,959	228	12,191.37	2,780
E-6	817	12,956.17	10,585	818	12,077.47	9,879	818	11,323.88	9,263
E-5	1,707	12,199.94	20,825	1,709	11,374.79	19,439	1,709	10,661.17	18,219
E-4	1,264	10,550.52	13,336	1,266	9,830.45	12,445	1,266	9,200.77	11,648
E-3	662	9,977.21	6,605	663	9,297.11	6,164	663	8,714.90	5,778
E-2	99	9,992.54	989	99	9,325.02	923	99	8,754.93	867
E-1	<u>7</u>	<u>10,219.41</u>	<u>72</u>	<u>7</u>	<u>9,541.35</u>	<u>67</u>	<u>7</u>	<u>8,377.03</u>	<u>59</u>
TOTAL (6)	4,844		<u>56,510</u>	4,850		<u>52,742</u>	4,850		<u>49,431</u>
BAH – OVERSEAS SUBTOTAL	9,264		<u>128,942</u>	9,272		<u>128,852</u>	9,272		<u>120,753</u>
TOTAL 2-H-1	269,049		<u>\$1,628,838</u>	277,334		<u>\$1,880,947</u>	279,180		<u>\$2,075,003</u>

(IN THOUSANDS OF DOLLARS)

PROJECT: 2-J STATION ALLOWANCES, OVERSEAS

FY 2003	ESTIMATE	\$161,329
FY 2002	ESTIMATE	\$166,747
FY 2001	ACTUAL	\$183,531

PART I - PURPOSE AND SCOPE

FUNDS REQUESTED PROVIDE FOR PAYMENTS OF A PER DIEM ALLOWANCE (37 U.S.C. 405) - FOR COST OF LIVING, HOUSING AND TEMPORARY LODGING FOR MEMBERS ASSIGNED TO CERTAIN PERMANENT DUTY STATIONS OUTSIDE THE CONTINENTAL UNITED STATES AS PRESCRIBED IN THE JOINT FEDERAL TRAVEL REGULATIONS.

PART II - JUSTIFICATION OF FUNDS REQUESTED

THE NUMBERS FOR COST OF LIVING ALLOWANCE (COLA) ARE BASED ON ACTUAL EXPERIENCE ADJUSTED TO REFLECT CHANGES IN OVERSEAS STRENGTH.

COMPUTATION OF FUND REQUIREMENTS IS PROVIDED IN THE FOLLOWING TABLE:

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
(1) COST OF LIVING	43,933	\$3,709.67	\$162,977	45,561	\$3,166.90	\$144,287	45,129	\$3130.91	\$141,295
(2) TEMPORARY LODGING			<u>20,554</u>			<u>22,460</u>			<u>20,034</u>
TOTAL 2-J			<u>\$183,531</u>			<u>\$166,747</u>			<u>\$161,329</u>

(IN THOUSANDS OF DOLLARS)

PROJECT: 2-K CONUS COST OF LIVING ALLOWANCE (COLA)

FY 2003	ESTIMATE	\$8,022
FY 2002	ESTIMATE	\$4,413
FY 2001	ACTUAL	\$4,190

PART I - PURPOSE AND SCOPE

THE FUNDS REQUESTED WILL PROVIDE FOR PAYMENT OF A COST OF LIVING ALLOWANCE (COLA) TO SAILORS WHO ARE ASSIGNED TO HIGH COST AREAS IN THE CONTINENTAL UNITED STATES (CONUS). HIGH COST AREAS ARE GROUPED AS MILITARY HOUSING AREAS (MHA) WHERE THE COST OF GOODS AND SERVICES EXCEEDS 108 PERCENT OF THE NATIONAL COST OF LIVING AVERAGE. THE AMOUNT OF COLA PAYABLE IS THE PRODUCT OF SPENDABLE INCOME (BASED ON REGULAR MILITARY COMPENSATION) TIMES THE DIFFERENCE BETWEEN THE COLA INDEX FOR THE INDIVIDUAL'S HIGH COST AREA AND THE THRESHOLD PERCENTAGE.

PART II - JUSTIFICATION OF FUNDS REQUESTED

CONUS COLA PAYMENTS ARE DETERMINED MULTIPLYING THE PROJECTED NUMBER OF PERSONNEL ELIGIBLE BY AN ESTIMATED RATE.

DETAILED COST COMPUTATIONS ARE PROVIDED BY THE FOLLOWING TABLE:

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
(1) COST OF LIVING	5,784	\$724.46	<u>\$4,190</u>	5,859	\$753.25	<u>\$4,413</u>	10,233	\$784.00	<u>\$8,022</u>
TOTAL 2-K			<u>\$4,190</u>			<u>\$4,413</u>			<u>\$8,022</u>

(IN THOUSANDS OF DOLLARS)

PROJECT: 2-L CLOTHING ALLOWANCES

FY 2003	ESTIMATE	\$189,840
FY 2002	ESTIMATE	\$192,749
FY 2001	ACTUAL	\$188,322

PART I - PURPOSE AND SCOPE

FUNDS REQUESTED WILL PROVIDE ENLISTED PERSONNEL WITH PRESCRIBED CLOTHING AS AUTHORIZED BY THE SECRETARY OF DEFENSE UNDER PROVISIONS OF (37 U.S.C. 418). INCLUDED ARE:

- (1) INITIAL CLOTHING UPON ENLISTMENT, ADVANCEMENT TO CHIEF PETTY OFFICER (PAY GRADE E-7) AND CIVILIAN CLOTHING ALLOWANCE WHEN AUTHORIZED BY COMPETENT ORDERS.
- (2) BASIC MAINTENANCE ALLOWANCE IS PAYABLE TO MEMBERS UPON COMPLETION OF SIX MONTHS ACTIVE DUTY AND ACCRUES DURING THE REMAINDER OF THE FIRST THREE YEARS OF CONTINUOUS SERVICE. STANDARD OR SPECIAL MAINTENANCE ALLOWANCE IS PAYABLE TO A MEMBER UPON COMPLETION OF 36 MONTHS OF ACTIVE DUTY AND CONTINUES DURING THE REMAINDER OF CONTINUOUS ACTIVE DUTY.
- (3) SUPPLEMENTARY CLOTHING ALLOWANCES ARE PAYABLE TO MEMBERS ASSIGNED TO SPECIAL DUTY WHERE ADDITIONAL ITEMS OF CLOTHING ARE REQUIRED.

PART II - JUSTIFICATION OF FUNDS REQUESTED

INITIAL CLOTHING ALLOWANCES ARE BASED ON PLANNED NUMBERS OF ACCESSIONS BY TYPE OF ACCESSION AT RATES PRESCRIBED BY THE SECRETARY OF DEFENSE. CLOTHING MAINTENANCE ALLOWANCES ARE COMPUTED BASED ON PAST EXPERIENCE FOR NUMBERS OF MEMBERS ENTITLED AND RATES PRESCRIBED BY THE SECRETARY OF DEFENSE. SUPPLEMENTARY CLOTHING ALLOWANCES ARE BASED ON NUMBERS PLANNED FOR ASSIGNMENT TO QUALIFYING SPECIAL DUTIES MULTIPLIED BY THE RATES PRESCRIBED BY THE SECRETARY OF DEFENSE.

COMPUTATION OF FUND REQUIREMENTS IS PROVIDED IN THE FOLLOWING TABLE:

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
(1) INITIAL									
(A) MILITARY									
MALE	38,175	\$1,161.83	\$44,353	34,139	\$1,226.70	\$41,878	34,374	\$1,242.65	\$42,719
FEMALE	8,791	1,541.42	13,551	10,498	1,601.19	16,809	7,938	1,622.01	12,877
PRIOR SERVICE	2,634	1,264.32	3,331	2,839	1,327.81	3,770	2,837	1,345.08	3,816
OCS, NEWPORT	1,878	1,240.68	2,330	1,875	1,245.87	2,336	1,535	1,228.66	1,886
AOC/NFOC	380	1,228.95	467	417	1,220.62	509	237	1,236.29	293
ON ADVANCEMENT E-7	6,129	970.47	5,948	6,051	985.29	5,962	4,882	998.16	4,873
NAVY UNIT BANDS	178	974.47	173	178	989.11	176	178	1,001.97	178
TOTAL (1)(A)	51,165		\$70,153	55,997		\$71,440	51,981		\$66,642

(IN THOUSANDS OF DOLLARS)

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
(B) CIVILIAN	850	\$1,317.00	\$1,119	850	\$1,356.51	\$1,153	850	\$1,412.13	\$1,200
WINTER AND SUMMER	<u>0</u>	0.00	<u>0</u>	<u>0</u>	0.00	<u>0</u>	<u>0</u>	0.00	<u>0</u>
TOTAL (1)(B)	850		1,119	850		1,153	850		1,200
TOTAL (1)			71,272			72,595			67,842
(2) REPLACEMENT ALLOWANCES									
(A) BASIC									
MALE	79,379	274.86	21,818	73,453	291.60	21,419	70,370	295.39	20,787
FEMALE	<u>12,661</u>	325.73	<u>4,124</u>	<u>12,307</u>	342.00	<u>4,209</u>	<u>12,235</u>	346.45	<u>4,239</u>
TOTAL (2)(A)	92,040		25,942	85,760		25,628	82,605		25,026
(B) STANDARD									
MALE	165,675	392.66	65,054	161,178	414.00	66,728	163,297	419.38	68,484
FEMALE	<u>23,891</u>	465.33	<u>11,117</u>	<u>22,858</u>	486.00	<u>11,109</u>	<u>22,726</u>	492.32	<u>11,188</u>
TOTAL (2)(B)	189,566		76,171	184,036		77,837	186,023		79,672
(C) SPECIAL									
MALE	20,336	577.63	11,747	19,649	594.00	11,672	20,397	601.72	12,273
FEMALE	<u>2,063</u>	722.56	<u>1,491</u>	<u>1,849</u>	730.00	<u>1,350</u>	<u>1,836</u>	739.49	<u>1,358</u>
TOTAL (2)(C)	22,399		13,238	21,498		13,022	22,233		13,631
TOTAL (2)	<u>304,000</u>		<u>115,351</u>	<u>291,294</u>		<u>116,487</u>	<u>290,861</u>		<u>118,329</u>
(3) SUPPLEMENTARY	5,132	331.04	1,699	5,041	331.04	1,669	5,041	331.04	1,669
(4) UP-FRONT PURCHASES			<u>0</u>			<u>2,000</u>			<u>2,000</u>
TOTAL 2-6			<u>\$188,322</u>			<u>\$192,749</u>			<u>\$189,840</u>

(IN THOUSANDS OF DOLLARS)

PROJECT: 2-M FAMILY SEPARATION ALLOWANCE

FY 2003	ESTIMATE	\$27,659
FY 2002	ESTIMATE	\$27,598
FY 2001	ACTUAL	\$28,530

PART I - PURPOSE AND SCOPE

FUNDS REQUESTED PROVIDE AN ALLOWANCE TO ENLISTED MEMBERS WITH DEPENDENTS (37 U.S.C. 427) FOR ADDED SEPARATION EXPENSES WHEN THE CONDITIONS LISTED BELOW ARE MET:

- (1) THE MOVEMENT OF DEPENDENTS TO AN OVERSEAS PERMANENT DUTY STATION IS NOT AUTHORIZED AND THE MEMBER MUST MAINTAIN TWO HOMES.
- (2) THE MOVEMENT OF DEPENDENTS TO THE PERMANENT DUTY STATION OR A PLACE NEAR THE STATION IS NOT AUTHORIZED AT GOVERNMENT EXPENSE UNDER THE JOINT TRAVEL REGULATIONS AND THE MEMBER'S DEPENDENTS DO NOT RESIDE AT OR NEAR THAT STATION.
- (3) THE MEMBER IS ON DUTY ON BOARD A SHIP AWAY FROM THE HOME PORT OF THE SHIP FOR A CONTINUOUS PERIOD OF MORE THAN 30 DAYS.
- (4) THE MEMBER IS ON TEMPORARY DUTY OR TEMPORARY ADDITIONAL DUTY AWAY FROM HIS PERMANENT STATION FOR A CONTINUOUS PERIOD OF MORE THAN 30 DAYS AND THE MEMBER'S DEPENDENTS DO NOT RESIDE AT OR NEAR THE MEMBER'S TEMPORARY OR TEMPORARY ADDITIONAL DUTY STATION.

PART II - JUSTIFICATION OF FUNDS REQUESTED

FAMILY SEPARATION ALLOWANCES ARE DETERMINED BY MULTIPLYING THE PLANNED NUMBER OF MEMBERS ELIGIBLE BY THE STATUTORY RATES.

COMPUTATION OF FUND REQUIREMENTS IS PROVIDED IN THE FOLLOWING TABLE:

(IN THOUSANDS OF DOLLARS)

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
(1) ON PERMANENT CHANGE OF STATION WITH DEPENDENTS NOT AUTHORIZED / GOVERNMENT QUARTERS NOT AVAILABLE									
PAY GRADE E-9	7	\$5,762.72	\$40	8	\$5,849.16	\$47	8	\$6,077.28	\$49
E-8	19	6,073.19	115	12	6,164.29	74	12	6,404.70	77
E-7	57	5,077.35	289	41	5,153.52	211	41	5,354.51	220
E-6	164	4,698.44	771	115	4,768.91	548	115	4,954.90	570
E-5	131	4,297.23	563	107	4,361.68	467	107	4,531.79	485
E-4	48	3,555.22	171	32	3,608.55	115	32	3,749.28	120
E-3	9	3,526.72	32	11	3,579.62	39	11	3,719.23	41
E-2	3	2,664.44	8	3	2,704.40	8	3	2,809.87	8
TOTAL (1)	438		\$1,989	329		\$1,509	329		\$1,570
(2) ON PERMANENT CHANGE OF STATION WITH DEPENDENTS NOT AUTHORIZED	3,702	1,200.00	4,442	3,752	1,200.00	4,502	3,752	1,200.00	4,502
(3) ON BOARD SHIP MORE THAN 30 DAYS	10,335	1,200.00	12,402	9,258	1,200.00	11,110	9,258	1,200.00	11,110
(4) ON TEMPORARY DUTY MORE THAN 30 DAYS WITH DEPENDENTS NOT RESIDING NEAR TEMPORARY DUTY STATION	8,081	1,200.00	9,697	8,731	1,200.00	10,477	8,731	1,200.00	10,477
TOTAL 2-M			\$28,530			\$27,598			\$27,659

(IN THOUSANDS OF DOLLARS)

PROJECT 2-N SEPARATION PAYMENTS

FY 2003	ESTIMATE	\$213,869
FY 2002	ESTIMATE	\$186,365
FY 2001	ACTUAL	\$99,942

PART I - PURPOSE AND SCOPE

FUNDS REQUESTED WILL PROVIDE FOR THE FOLLOWING SEPARATION PAYMENTS:

- (1) LUMP SUM TERMINAL LEAVE PAYMENTS FOR UNUSED ACCRUED LEAVE AT TIME OF DISCHARGE, OR DEATH UNDER PROVISIONS OF (37 U.S.C. 501), AND (10 U.S.C. 701). FUNDING REQUEST INCLUDES A LEGISLATIVE PROPOSAL TO ALLOW SERVICE MEMBERS TO SELL BACK LEAVE IN CONJUNCTION WITH REENLISTMENT, NOT JUST WITHIN THREE MONTHS PRIOR TO EXPIRATION OF ACTIVE SERVICE.
- (2) SEVERANCE PAY DISABILITY - PAYMENT TO MEMBERS SEPARATED (NOT RETIRED) FOR PHYSICAL DISABILITY UNDER PROVISIONS OF (10 U.S.C. 1212).
- (3) INVOLUNTARY - HALF SEVERANCE PAY IS 5% OF THE PRODUCT OF MEMBERS YEARS ACTIVE SERVICE PLUS FRACTIONS OF YEARS BASED ON FULL MONTHS AND 12 TIMES MONTHLY BASIC PAY IS AUTHORIZED TO MEMBERS NOT FULLY QUALIFIED FOR RETENTION AND DENIED REENLISTMENT OR CONTINUATION.
- (4) INVOLUNTARY - FULL SEVERANCE PAY IS 10% OF THE PRODUCT OF MEMBERS YEARS ACTIVE SERVICE PLUS FRACTIONS OF YEARS BASED ON FULL MONTHS AND 12 TIMES MONTHLY BASIC PAY IS AUTHORIZED TO MEMBERS INVOLUNTARILY SEPARATED FROM ACTIVE DUTY WHO ARE FULLY QUALIFIED FOR RETENTION, BUT ARE DENIED REENLISTMENT OR CONTINUATION.

VOLUNTARY - SPECIAL SEPARATION BENEFITS ((SSB) 10 U.S.C. 1174A) WILL PAY MEMBERS A LUMP-SUM AMOUNT EQUAL TO 15% OF THEIR ANNUAL BASIC PAY MULTIPLIED BY THEIR YEARS OF SERVICE. THE AUTHORITY FOR THIS PROGRAM EXPIRED ON 31 DECEMBER 2001.

VOLUNTARY SEPARATION INCENTIVE ((VSI) 10 U.S.C. 1175) WILL PAY MEMBERS 2.5% OF THEIR ANNUAL BASIC PAY, MULTIPLIED BY THEIR YEARS OF SERVICE. PAYMENTS WILL BE ANNUAL AND LAST FOR TWICE THE NUMBER OF YEARS OF SERVICE. THE AUTHORITY FOR THIS PROGRAM EXPIRED ON 31 DECEMBER 2001.

- (5) DISCHARGE GRATUITY DONATION NOT TO EXCEED \$25, TO MEMBER SEPARATED WITH A DISHONORABLE, BAD CONDUCT, OR UNDESIRABLE DISCHARGE FOR REASONS OF SECURITY, UNFITNESS, ETC., UNDER PROVISIONS OF (10 U.S.C. 771A).
- (6) 15 YEAR EARLY RETIREMENT PROGRAM (ERP) FOR MEMBERS ON ACTIVE DUTY WITH MORE THAN 15 BUT LESS THAN 20 YEARS OF SERVICE. THE FY 1993 DEFENSE AUTHORIZATION ACT APPROVED AN ACTIVE DUTY EARLY RETIREMENT PROGRAM FOR USE DURING THE FORCE DRAWDOWN. THE AUTHORITY TO USE THE EARLY RETIREMENT PROGRAM EXPIRES ON 1 OCTOBER 2003.

(IN THOUSANDS OF DOLLARS)

(7) \$30,000 LUMP SUM BONUS: THE FY 2000 NATIONAL DEFENSE AUTHORIZATION ACT PROVIDES TO SERVICE MEMBERS WHO ENTERED THE UNIFORMED SERVICE ON OR AFTER AUGUST 1, 1986, THE OPTION TO RETIRE UNDER THE PRE-1986 MILITARY RETIREMENT PLAN (50% RETIREMENT BENEFIT AT 20 YEARS OF SERVICE, WITH FULL COLA) OR TO ACCEPT A ONE-TIME \$30,000 LUMP SUM BONUS AND TO REMAIN UNDER THE REDUX RETIREMENT PLAN (40% RETIREMENT BENEFIT AT 20 YEARS OF SERVICE, WITH PARTIAL COLA). SAILORS ARE PERMITTED TO SELECT BETWEEN THE TWO RETIREMENT PROGRAMS WITHIN 180 DAYS OF COMPLETING 15 YEARS OF SERVICE. SAILORS WHO ELECT TO ACCEPT THE LUMP SUM BONUS ARE OBLIGATED TO SERVE THE REMAINING FIVE YEARS TO BECOME RETIREMENT ELIGIBLE. THOSE WHO DO NOT COMPLETE THE REQUIRED SERVICE ARE REQUIRED TO REPAY A PRO-RATED AMOUNT BASED ON THE UNSERVED AMOUNT OF THE OBLIGATION.

PART II-JUSTIFICATION OF FUNDS REQUESTED

SEPARATION PAYMENTS ARE COMPUTED ON THE BASIS OF THE NUMBER ELIGIBLE FOR PAYMENT AT THE AVERAGE RATES DERIVED FROM PAST EXPERIENCE. EFFECTIVE 01 JANUARY 2002 A MINIMUM PAYRAISE OF 5.0% IS BUDGETED FOR ALL PAYGRADES WITH SELECTED INCREASES AVERAGING UP TO 10% FOR CERTAIN TARGETED PAY GRADES. A 4.1% PAYRAISE IS EFFECTIVE 01 JANUARY 2003.

COMPUTATION OF FUND REQUIREMENTS IS PROVIDED IN THE FOLLOWING TABLE:

	FY 2001				FY 2002				FY 2003			
	NUMBER	DAY	RATE	AMOUNT	NUMBER	DAY	RATE	AMOUNT	NUMBER	DAY	RATE	AMOUNT
(1) LUMP SUM TERMINAL LEAVE PAYMENTS												
PAY GRADE E-9	210	22	\$2,199.87	\$462	234	23	\$2,221.45	\$520	247	23	\$2,350.05	\$580
E-8	605	22	1,825.74	1,105	598	23	1,885.21	1,127	632	23	1,989.06	1,257
E-7	2,35	23	1,722.47	3,988	2,495	23	1,772.62	4,423	2,442	24	1,882.12	4,596
E-6	4,846	23	1,434.25	6,950	5,274	25	1,497.99	7,900	5,457	25	1,565.40	8,542
E-5	8,559	23	1,113.68	9,532	9,208	24	1,178.16	10,849	9,425	24	1,235.86	11,648
E-4	10,327	21	886.47	9,155	12,560	23	937.24	11,772	11,653	23	984.28	11,470
E-3	4,703	21	719.90	3,386	4,807	22	769.96	3,701	4,670	22	800.95	3,740
E-2	2,595	7	558.66	1,450	3,122	19	596.60	1,863	2,611	19	621.23	1,622
E-1	2,597	4	256.11	665	2,835	12	273.49	775	2,520	12	285.00	718
TOTAL (1)	36,756			\$36,693	41,133			\$42,930	39,657			\$44,173

(IN THOUSANDS OF DOLLARS)

	NUMBER	FY 2001 RATE	AMOUNT	NUMBER	FY 2002 RATE	AMOUNT	NUMBER	FY 2003 RATE	AMOUNT
(2) SEVERANCE PAY, DISABILITY	1,210	\$25,252.89	30,556	1,378	\$26,751.81	36,864	1,555	\$28,053.34	43,623
(3) SEVERANCE PAY, NON-DISABILITY									
INVOL – HALF PAY	541	11,410.25	6,173	616	12,089.29	7,447	696	12,662.36	8,813
INVOL – FULL PAY	<u>219</u>	<u>19,223.74</u>	<u>4,210</u>	<u>250</u>	<u>20,316.00</u>	<u>5,079</u>	<u>282</u>	<u>21,312.06</u>	<u>6,010</u>
TOTAL (3)	760		10,383	866		12,526	978		14,823
(4) VOLUNTARY SEPARATION									
SSB	0	0.00	0	0	0.00	0	0	0.00	0
VSI	0	0.00	0	0	0.00	0	0	0.00	0
VSI TRUST FUND	0	0.00	<u>1,200</u>	0	0.00	<u>4,400</u>	0	0.00	<u>4,200</u>
TOTAL (4)			1,200			4,400			4,200
(5) DISCHARGE GRATUITY	410	24.00	10	410	24.00	10	410	24.00	10
(6) 15 YR RETIREMENT PROGRAM	0	0.00	0	0	0.00	0	0	0.00	0
(7) \$30,000 LUMP SUM BONUS			<u>21,100</u>			<u>89,635</u>			<u>107,040</u>
TOTAL 2-N			<u>\$99,942</u>			<u>\$186,365</u>			<u>\$213,869</u>

(IN THOUSANDS OF DOLLARS)

PROJECT: 2-O SOCIAL SECURITY TAX – EMPLOYER'S SHARE

FY 2003	ESTIMATE	\$563,249
FY 2002	ESTIMATE	\$531,447
FY 2001	ACTUAL	\$488,102

PART I - PURPOSE AND SCOPE

FUNDS REQUESTED REPRESENT THE GOVERNMENT'S CONTRIBUTION (AS AN EMPLOYER) AS REQUIRED BY THE FEDERAL INSURANCE CONTRIBUTION ACT UNDER PROVISION OF (26 U.S.C. 3101, 3111), AND P.L. 98-21 "SOCIAL SECURITY AMENDMENT OF 1983." THE REQUEST ALSO REFLECTS THE IMPACT OF PUBLIC LAW 99-576 WHICH PROVIDES FOR REMOVAL FROM TAXABLE INCOME THE \$1,200 MEMBER CONTRIBUTION REQUIRED FOR PARTICIPATION IN THE BASIC BENEFIT PROGRAM OF THE NEW G.I. BILL EFFECTIVE 01 JANUARY 1986.

PART II - JUSTIFICATION OF FUNDS REQUESTED

SOCIAL SECURITY COSTS ARE BASED ON THE PERCENTAGE RATE SET BY LAW ON A MEMBER'S SALARY FOR A CALENDAR YEAR. P.L. 98-21, "SOCIAL SECURITY AMENDMENT OF 1983" DATED 20 APRIL 1983 ESTABLISHED THE TAX RATE WHILE THE MAXIMUM TAXABLE INCOME IS DETERMINED BY THE SOCIAL SECURITY ADMINISTRATION. THE OLD AGE, SURVIVOR AND DISABILITY INCOME (OASDI) RATE IS 6.2% AND THE HOSPITAL INSURANCE (HI) IS 1.45%. THERE IS NO WAGE CAP ON THE 1.45% MEDICAL CONTRIBUTION. THE GOVERNMENT'S CONTRIBUTION IS BASED ON THE PERCENTAGE RATE SET BY LAW ON MEMBER'S SALARY FOR A CALENDAR YEAR. TAXABLE INCOME CEILINGS FOR OASDI ARE AS FOLLOWS:

CALENDAR YEAR 2001 - 7.65% ON FIRST \$80,400
 CALENDAR YEAR 2002 - 7.65% ON FIRST \$84,900
 CALENDAR YEAR 2003 - 7.65% ON FIRST \$89,100

COMPUTATION OF FUND REQUIREMENTS IS PROVIDED IN THE FOLLOWING TABLE:

	NUMBER	FY 2001 RATE	AMOUNT	NUMBER	FY 2002 RATE	AMOUNT	NUMBER	FY 2003 RATE	AMOUNT
SOCIAL SECURITY TAX – EMPLOYER'S CONTRIBUTION	315,178	\$1,548.66	<u>\$488,102</u>	316,128	\$1,681.11	<u>\$531,447</u>	315,170	\$1,787.13	<u>\$563,249</u>
TOTAL 2-O			<u>488,102</u>			<u>531,447</u>			<u>563,249</u>
TOTAL OBLIGATIONS			11,827,837			12,977,455			15,182,985
LESS REIMBURSABLES			<u>62,906</u>			<u>58,524</u>			<u>136,558</u>
TOTAL DIRECT OBLIGATIONS			<u>\$11,764,931</u>			<u>\$12,918,931</u>			<u>\$15,046,427</u>

PAY AND ALLOWANCES OF MIDSHIPMEN
SCHEDULE OF INCREASES AND DECREASES
(IN THOUSANDS OF DOLLARS)

		<u>AMOUNT</u>
FY 2002 DIRECT PROGRAM		\$45,417
INCREASES		
BASIC PAY		1,433
ANNUALIZATION OF FY 2002 PAY RAISE	360	
DECREASE IN WORKYEARS	-8	
FY 2003 PAY RAISE OF 4.1%	1,081	
SUBSISTENCE		210
INCREASE DUE TO INFLATION OF MIDSHIPMEN BAS DAILY RATE	212	
DECREASE IN WORKYEARS	-2	
SOCIAL SECURITY TAX		84
DECREASE IN WORKYEARS	-1	
ANNUALIZATION OF FY 2002 PAY RAISE	21	
FY 2003 PAY RAISE 4.1%	64	
USNA NUCLEAR BONUS		150
INCREASE IN NUMBER OF BONUSES	150	
TOTAL INCREASES		1,877
FY 2003 DIRECT PROGRAM		\$47,294

(IN THOUSANDS OF DOLLARS)

PROJECT: 3-B MIDSHIPMEN

FY 2003	ESTIMATE	\$47,294
FY 2002	ESTIMATE	\$45,417
FY 2001	ACTUAL	\$42,791

PART I - PURPOSE AND SCOPE

FUNDS REQUESTED ARE TO PROVIDE FOR BASIC PAY UNDER THE PROVISIONS OF 37 U.S.C. 203(C)(1); COMMUTED RATIONS ALLOWANCE UNDER THE PROVISIONS OF 37 U.S.C. 422; AND FOR EMPLOYER'S CONTRIBUTION OF FICA AS PROVIDED BY THE FEDERAL INSURANCE CONTRIBUTION ACT (26 U.S.C. 3101 AND 3111); AND FOR NUCLEAR ACCESSION BONUS (37 U.S.C. 312B).

PART II - JUSTIFICATION OF FUNDS REQUESTED

FUNDS REQUIRED ARE DETERMINED BY APPLYING STATUTORY RATES TO THE PROJECTED WORKYEARS. FUNDING HAS BEEN PROVIDED TO LINK MIDSHIPMEN PAY TO 35 PERCENT OF ENSIGN (O-1) PAY, AS AUTHORIZED BY SECTION 612 OF THE FY 2001 NATIONAL DEFENSE AUTHORIZATION ACT. PROVISION IS MADE FOR AN AVERAGE 4,196 MIDSHIPMEN IN FY 2001, 3,843 IN FY 2002, AND 3,842 IN FY 2003.

SUBSISTENCE RATES ARE \$5.45 PER DAY FOR FY 2001, \$5.60 PER DAY FOR FY 2002 AND \$5.75 PER DAY FOR FY 2003.

COMPUTATION OF FUND REQUIREMENTS IS PROVIDED IN THE FOLLOWING TABLE:

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
(1) BASIC PAY	4,196	\$7,200.00	\$30,214	3,843	\$8,704.98	\$33,453	3,842	\$9,080.82	\$34,885
(2) SUBSISTENCE									
(A) SUBSISTENCE ALLOWANCE	4,196	1,989.25	8,346	3,843	2,044.00	7,855	3,842	2098.75	8,065
(B) OPERATIONAL RATIONS	0	0.00	0	0	0.00	0	0	0.00	0
TOTAL			8,346			7,855			8,065
(3) SOCIAL SECURITY TAX – EMPLOYER'S CONTRIBUTION	4,196	550.76	2,311	3,843	665.94	2,559	3,842	688.18	2,644

(IN THOUSANDS OF DOLLARS)

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
(4) NUCLEAR ACCESSION BONUS	192	\$10,000.00	<u>1,920</u>	155	\$10,000.00	<u>1,550</u>	170	\$10,000.00	<u>1,700</u>
TOTAL OBLIGATIONS			<u>\$42,791</u>			<u>\$45,417</u>			<u>\$47,294</u>
LESS REIMBURSABLE OBLIGATIONS									
TOTAL DIRECT OBLIGATIONS			<u>\$42,791</u>			<u>\$45,417</u>			<u>\$47,294</u>
TOTAL 3-B			<u>\$42,791</u>			<u>\$45,417</u>			<u>\$47,294</u>

SUBSISTENCE OF ENLISTED PERSONNEL
SCHEDULE OF INCREASES AND DECREASES
(IN THOUSANDS OF DOLLARS)

	AMOUNT
FY 2002 DIRECT PROGRAM	\$856,334
INCREASES	
1 JAN 2002 BAS 3.7% ANNUALIZATION	6,896
1 JAN 2003 BAS 3% INFLATION	16,885
INCREASE IN BAS WORKYEARS DUE TO BAS REFORM	93,210
INCREASE IN SIK BDFA RATES DUE TO CHANGE IN FOOD PRICES AND INFLATION	7,127
INCREASE IN SURVEYS / SPOILAGE DUE TO HIGHER RECEIPTS WITH CHARGE	139
INCREASE IN AUGMENT RATIONS DAILY RATE	417
INCREASE IN SALE OF MEAL RATE / BDFA COST OF FOOD VARIANCE	1,431
INCREASE DUE TO IMPLEMENTATION OF BAS II	1,774
INCREASE IN CONTRACT MESSES, HOSPITAL AND MILITARY SEALIFT COMMAND DUE TO DAILY RATE	75
INCREASE IN OPERATIONAL RATIONS DUE TO INFLATION	147
TOTAL INCREASES	128,101
DECREASES	
DECREASE IN SIK WORKYEARS	-1,289
DECREASE IN BAS COLLECTIONS DUE TO BAS REFORM	-96,683
DECREASE DUE TO DISCONTINUATION OF BAS PARTIAL (BAS REFORM)	-10,505
DECREASE DUE TO CHANGE IN INVENTORY	-125
TOTAL DECREASES	-108,602
FY 2003 DIRECT PROGRAM	\$875,833

(IN THOUSANDS OF DOLLARS)

PROJECT: 4-A BASIC ALLOWANCE FOR SUBSISTENCE

FY 2003	ESTIMATE	\$0.00
FY 2002	ESTIMATE	\$131,432
FY 2001	ACTUAL	\$533,816

PART I - PURPOSE AND SCOPE

THE FUNDS REQUESTED WILL PROVIDE ENLISTED MEMBERS A CASH SUBSISTENCE ALLOWANCE (37 U.S.C. 402) UNDER THE FOLLOWING CIRCUMSTANCES:

- (1) A GOVERNMENT MESS IS AVAILABLE FOR USE, BUT MEMBER IS AUTHORIZED TO MESS SEPARATELY AT THEIR OWN EXPENSE
- (2) FOR EACH DAY CHARGED AS LEAVE
- (3) AT A DUTY STATION THAT DOES NOT HAVE A GOVERNMENT MESS AVAILABLE
- (4) RECEIVING COMMUTED RATIONS, BUT ASSIGNED DUTIES REQUIRING THEM TO PURCHASE ONE OR MORE MEALS FROM OTHER THAN A GOVERNMENT MESS

PART II - JUSTIFICATION OF FUNDS REQUESTED

FUNDS REQUIRED ARE BASED ON THE AVERAGE NUMBER OF ENLISTED PERSONNEL ENTITLED TO RECEIVE THE SEVERAL TYPES OF ALLOWANCES. DISTRIBUTION OF PERSONNEL IS DEVELOPED USING ACTUAL EXECUTION DATA. THE DAILY RATES OF SUBSISTENCE ON A CASH BASIS ARE AS FOLLOWS:

	FY 2001	FY 2002	FY 2003
COMMUTED AND LEAVE RATIONS	7.64	7.66	0.00
RATIONS IN KIND UNAVAILABLE	8.61	8.63	0.00
AUGMENTATION RATIONS	0.39	0.39	0.00

SECTION 603 OF THE FY 2001 NATIONAL DEFENSE AUTHORIZATION ACT (NDAA) REPEALS THE TRANSITION OF THE BASIC ALLOWANCE FOR SUBSISTENCE (BAS) PROGRAM, EFFECTIVE OCTOBER 1, 2001, AND INCREASES THE BAS RATE IN EFFECT BY THE AMOUNT OF INCREASES IN FOOD COSTS, AS DETERMINED BY GROWTH IN THE DEPARTMENT OF AGRICULTURE MODERATE FOOD PLAN. FUNDS REQUESTED WILL PROVIDE ALL ENLISTED MILITARY MEMBERS A BAS PAYMENT, EXCEPT WHEN THEY ARE ATTENDING BASIC MILITARY TRAINING (BOOT CAMP), OR IN A NON-PAY STATUS. SECTION 604 OF THE FY 2001 NDAA AUTHORIZED A MONTHLY SUPPLEMENTAL ALLOWANCE, NOT TO EXCEED \$500, TO MEMBERS WHO QUALIFY FOR FOOD STAMPS. THE VALUE OF EITHER THE MEMBER'S BASIC ALLOWANCE FOR HOUSING OR THE "IN-KIND" BENEFIT FOR MEMBERS RESIDING IN MILITARY HOUSING MUST BE INCLUDED AS INCOME IN DETERMINING ELIGIBILITY.

COMPUTATION OF FUND REQUIREMENTS IS PROVIDED IN THE FOLLOWING TABLE:

(IN THOUSANDS OF DOLLARS)

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
(1) WHEN AUTHORIZED TO MESS SEPARATELY	121,040	\$2,788.54	\$337,525	121,349	\$704.72	\$85,517	0	\$0.00	\$0
(2) LEAVE RATIONS	22,316	2,788.54	62,229	15,633	704.72	11,017	0	0.00	0
(3) WHEN RATIONS IN KIND NOT AVAILABLE	29,934	3,141.67	94,043	30,674	793.96	24,354	0	0.00	0
(4) AUGMENTATION RATIONS	(1,930)	142.35	275	(1,085)	35.88	39	0	0.00	0
(5) PARTIAL BAS	(126,985)	312.98	<u>39,744</u>	(132,774)	79.12	<u>10,505</u>	0	0.00	<u>0</u>
TOTAL OBLIGATIONS	173,290		<u>533,816</u>	167,656		<u>131,432</u>	0		<u>0</u>
LESS REIMBURSABLES			<u>4,990</u>			<u>917</u>			<u>0</u>
TOTAL DIRECT OBLIGATIONS			<u>\$528,826</u>			<u>\$130,515</u>			<u>\$0</u>

(IN THOUSANDS OF DOLLARS)

PROJECT: 4-B SUBSISTENCE IN KIND

FY 2003	ESTIMATE	\$0
FY 2002	ESTIMATE	\$87,379
FY 2001	ACTUAL	\$315,253

PART I - PURPOSE AND SCOPE

THE FUNDS REQUESTED WILL PROVIDE FOR SUBSISTENCE IN KIND FURNISHED TO ACTIVE DUTY ENLISTED PERSONNEL (10 U.S.C. 6081A), (10 U.S.C. 6087). FUNDS ARE INCLUDED FOR THE TESTING OF NEW FOOD ITEMS, FOR THE REPLACEMENT OF EMERGENCY RATIONS, AND THE ROTATION OF OPERATIONAL RATIONS. THE ADDITIONAL COST OF SUBSISTING SUBMARINE ENLISTED PERSONNEL IS INCLUDED IN SUPPLEMENTAL ALLOWANCES TO IDENTIFY THE COST WHICH IS IN EXCESS OF THAT REQUIRED FOR SURFACE SHIPS. FUNDING FOR FOOD SERVICE RE-ENGINEERING INITIATIVES BEGAN IN FY 2001 TO PROVIDE FOR THE USE OF PRE-COOKED/PRE-PREPARED BULK FOODS AND THE MOVEMENT OF SUBSISTENCE FROM DELIVERY VEHICLES TO SHIP STORE ROOMS. FUNDS TO COVER LOSSES OF SUBSISTENCE INVENTORIES ARE ALSO INCLUDED.

PART II - JUSTIFICATION OF FUNDS REQUESTED

FUNDS REQUIRED ARE BASED ON THE NUMBER OF RATIONS TO BE FURNISHED ENLISTED PERSONNEL ENTITLED TO BE SUBSISTED AT GOVERNMENT EXPENSE. THE DISTRIBUTION OF PERSONNEL BY CATEGORY IS PROJECTED BASED ON ACTUAL EXECUTION DATA. THE INVENTORY ADJUSTMENT LINE INCLUDES THE INVENTORY AMOUNTS FOR NEW COMMISSIONINGS OFFSET BY DECOMMISSIONINGS. THE DAILY RATE OF SUBSISTENCE IN THE GENERAL MESSES ARE:

	FY 2001	FY 2002	FY 2003
ASHORE CONUS	5.92	6.01	0.00
ASHORE OVERSEAS	7.67	7.79	0.00
AFLOAT	6.66	6.81	0.00

(IN THOUSANDS OF DOLLARS)

	FY 2001	FY 2002	FY 2003
	PERSONNEL STATISTICS	PERSONNEL STATISTICS	PERSONNEL STATISTICS
ENLISTED STRENGTH (WORKYEARS)	315,178	316,128	0
ON MONETARY ALLOWANCE	173,290	167,656	0
SPECIAL RATIONS	<u>2,457</u>	<u>2,460</u>	0
TOTAL DEDUCTIONS	175,749	170,116	0
NAVY ENLISTED ENTITLED TO BE SUBSISTED	139,431	146,012	0
PLUS OTHER SERVICES ENTITLED TO BE SUBSISTED IN NAVY GENERAL MESSES	8,247	8,240	0
MINUS NAVY ENLISTED ENTITLED TO BE SUBSISTED IN OTHER SERVICES GENERAL MESSES	<u>1,407</u>	<u>1,413</u>	<u>0</u>
TOTAL ENLISTED TO BE SUBSISTED	<u>146,271</u>	<u>152,839</u>	<u>\$0</u>

DISTRIBUTION OF BALANCE ENTITLED TO BE SUBSIDIZED IN GENERAL MESSES

	FY 2001			FY 2002			FY 2003		
	GROSS NUMBER	% FED	NET NUMBER	GROSS NUMBER	% FED	NET NUMBER	GROSS NUMBER	% FED	NET NUMBER
CONUS									
NAVY	42,718	0.480	20,505	44,363	0.480	21,294	0		0
OTHERS	<u>3,232</u>		<u>3,232</u>	<u>3,227</u>		<u>3,227</u>	<u>0</u>		<u>0</u>
TOTAL	45,950		23,737	47,590		24,521	0		0
OVERSEAS									
NAVY	6,377	0.540	3,444	6,753	0.540	3,647	0		0
OTHERS	<u>507</u>		<u>507</u>	<u>507</u>		<u>507</u>	<u>0</u>		<u>0</u>
TOTAL	6,884		3,951	7,260		4,154	0		0
AFLOAT									
NAVY	88,928	0.760	67,585	93,483	0.760	71,047	0		0
OTHERS	<u>4,509</u>		<u>4,509</u>	<u>4,506</u>		<u>4,506</u>	0		0
TOTAL	93,437		72,094	97,989		75,553	<u>0</u>		<u>0</u>
	<u>146,271</u>		<u>99,782</u>	<u>152,839</u>		<u>104,228</u>	<u>0</u>		<u>0</u>

DISTRIBUTION OF BALANCE ENTITLED TO BE SUBSISTED IN GENERAL MESSES
(IN THOUSANDS OF DOLLARS)

	FY 2001				FY 2002				FY 2003			
	NUMBER	RATE DAILY	RATE ANNUAL	AMOUNT	NUMBER	RATE DAILY	RATE ANNUAL	AMOUNT	NUMBER	RATE DAILY	RATE ANNUAL	AMOUNT
(1) SUBSISTENCE IN GENERAL MESSES												
CONUS												
NAVY	20,505	\$5.92	\$2,160.80	\$44,307	21,294	\$6.01	\$552.92	\$11,774	0	\$0.00	\$0.00	\$0
OTHERS	<u>3,232</u>			<u>6,984</u>	<u>3,227</u>			<u>1,784</u>	<u>0</u>			<u>0</u>
TOTAL	23,737			51,291	24,521			13,558	0			0
OVERSEAS												
NAVY	3,444	7.67	2,799.55	9,642	3,647	7.79	716.68	2,614	0	\$0.00	\$0.00	\$0
OTHERS	<u>507</u>			<u>1,419</u>	<u>507</u>			<u>363</u>	<u>0</u>			<u>0</u>
TOTAL	3,951			11,061	4,154			2,977	0			0
AFLOAT												
NAVY	67,585	6.66	2,430.90	164,292	71,047	6.81	626.52	44,512	0	\$0.00	\$0.00	\$0
OTHERS	<u>4,509</u>			<u>10,961</u>	<u>4,506</u>			<u>2,823</u>	<u>0</u>			<u>0</u>
TOTAL	72,094			175,253	75,553			47,335	0			0
TOTAL (1)	99,782			237,605	104,228			63,870	0			0
(2) OPERATIONAL RATIONS												
(A) FLIGHT / BOAT RATIONS				3				1				0
(B) EMERGENCY RATIONS				8				6				0
(C) ROTATION OF OPERATIONAL RATIONS				<u>4,036</u>				<u>832</u>				<u>0</u>
TOTAL (2)				4,047				839				0
(2) AUGMENTATION RATIONS SUPPLEMENTAL ALLOWANCES	38,618	\$0.053	\$193.45	\$7,471	38,773	\$0.50	\$46.00	\$1,784	0	\$0.00	\$0	\$0

(IN THOUSANDS OF DOLLARS)

	FY 2001				FY 2002				FY 2003			
	NUMBER	RATE DAILY	RATE ANNUAL	AMOUNT	NUMBER	RATE DAILY	RATE ANNUAL	AMOUNT	NUMBER	RATE DAILY	RATE ANNUAL	AMOUNT
(4) OTHER PROGRAMS												
(A) FOOD SERVICE RE-ENGINEERING INITIATIVE				\$16,028				\$8,500				\$0
(B) CONTRACT MESSES	337	7.12	2,598.80	876	338	7.23	665.16	225	0	0.00	0.00	0
HOSPITAL	1,364	4.16	1,518.40	2,071	1,406	4.24	390.08	548	0	0.00	0.00	0
MSC	754	7.95	2,901.75	2,188	713	7.81	718.52	512	0	0.00	0.00	0
COAST GUARD	<u>2</u>	7.89	2,879.85	<u>6</u>	<u>3</u>	7.98	734.16	<u>2</u>	<u>0</u>	0.00	0.00	<u>0</u>
TOTAL	2,459			5,141	2,460			1,287	0			0
(C) INVENTORY ADJUSTMENT				129				32				0
(D) SURVEYS / SPOILAGE				3,448				771				0
(E) SALE OF MEAL RATE BDFA COST OF FOOD VARIANCE				204				-34				0
(F) FOREIGN CURRENCY FLUCTUATION				0				0				0
SALE OF MEALS – BULK SUBSISTENCE				<u>41,180</u>				<u>10,330</u>				<u>0</u>
TOTAL (4)				66,130				20,886				0
TOTAL 4-B				<u>315,253</u>				<u>87,379</u>				<u>0</u>
TOTAL OBLIGATIONS				849,104				219,471				0
LESS REIMBURSABLES (BAS AND SIK)				<u>46,170</u>				<u>11,247</u>				<u>0</u>
TOTAL DIRECT OBLIGATIONS				<u>\$802,934</u>				<u>\$208,224</u>				<u>\$0</u>

NOTE: FY 2002 REFLECTS COSTS FOR 3 MONTHS DUE TO BAS TRANSITION ENDING 1 OCTOBER 2001. NEW FORMAT BEGINNING 1 JANUARY 2002.

(IN THOUSANDS OF DOLLARS)

PROJECT: 4-A BASIC ALLOWANCE FOR SUBSISTENCE

FY 2003	ESTIMATE	\$920,992
FY 2002	ESTIMATE	\$682,510
FY 2001	ACTUAL	\$35

PART I - PURPOSE AND SCOPE

THE FUNDS REQUESTED WILL PROVIDE ALL MILITARY MEMBERS ENTITLED TO BASIC PAY TO HAVE A CONTINUOUS ENTITLEMENT TO BASIC ALLOWANCE FOR SUBSISTENCE (BAS), AS STIPULATED BY LAW (TITLE 37 UNITED STATES CODE, SECTION 402) EXCEPT WHEN THEY ARE:

- (A) ATTENDING BASIC MILITARY TRAINING (BOOT CAMP) (THOSE MEMBERS IN BMT WILL BE PROVIDED GOVERNMENT MESSING AT NO COST),
- (B) IN EXCESS LEAVE STATUS,
- (C) IN AN ABSENT WITHOUT LEAVE STATUS, UNLESS THE ABSENCE IS EXCUSED AS UNAVOIDABLE, (TITLE 37 U.S.C. SECTION 503)

4-B SUBSISTENCE IN KIND

THE FUNDS REQUESTED WILL PROVIDE FOR SUBSISTENCE IN KIND FURNISHED ACTIVE DUTY ENLISTED PERSONNEL (10 U.S.C. 6081A), (10 U.S.C. 6087). FUNDS ARE INCLUDED FOR THE TESTING OF NEW FOOD ITEMS, FOR THE REPLACEMENT OF EMERGENCY RATIONS, AND THE ROTATION OF OPERATIONAL RATIONS. THE ADDITIONAL COST OF SUBSISTING SUBMARINE ENLISTED PERSONNEL IS INCLUDED IN SUPPLEMENTAL ALLOWANCES TO IDENTIFY THE COST WHICH IS IN EXCESS OF THAT REQUIRED FOR SURFACE SHIPS. FUNDING FOR FOOD SERVICE RE-ENGINEERING INITIATIVES BEGIN IN FY 2001 TO PROVIDE FOR THE USE OF PRE-COOKED/PRE-PREPARED BULK FOODS AND THE MOVEMENT OF SUBSISTENCE FROM DELIVERY VEHICLES TO SHIP STORE ROOMS. FUNDS TO COVER LOSSES OF SUBSISTENCE INVENTORIES ARE ALSO INCLUDED.

4-C FAMILY SUBSISTENCE SUPPLEMENTAL ALLOWANCE (FSSA)

SECTION 604 OF THE FY 2001 NATIONAL DEFENSE AUTHORIZATION ACT REQUIRES THE SECRETARY OF DEFENSE TO ESTABLISH A PROGRAM TO PAY A MONTHLY SUPPLEMENTAL ALLOWANCE, NOT TO EXCEED \$500, TO MEMBERS WHO QUALIFY FOR FOODS STAMPS USING STATE INCOME ELIGIBILITY STANDARDS. THE VALUE OF EITHER THE MEMBER'S BASIC ALLOWANCE FOR HOUSING (BAH) OR VALUE OF THE "IN-KIND" BENEFIT FOR MEMBERS RESIDING IN MILITARY HOUSING MUST BE INCLUDED AS INCOME IN DETERMINATION OF ELIGIBILITY.

(IN THOUSANDS OF DOLLARS)

PART II - JUSTIFICATION OF FUNDS REQUESTED

SECTION 603 OF THE FY 2001 NATIONAL DEFENSE AUTHORIZATION ACT (NDAA) REPEALS THE TRANSITION OF THE BASIC ALLOWANCE FOR SUBSISTENCE (BAS) PROGRAM, EFFECTIVE OCTOBER 1, 2001, AND INCREASES THE BAS RATE IN EFFECT BY THE AMOUNT OF INCREASES IN FOOD COSTS, AS DETERMINED BY GROWTH IN THE DEPARTMENT OF AGRICULTURE MODERATE FOOD PLAN. THE BAS RATE INCREASED 3.7%, STARTING JANUARY FY 2002. FUNDS REQUESTED WILL PROVIDE ALL ENLISTED MILITARY MEMBERS A BAS PAYMENT, EXCEPT WHEN THEY ARE ATTENDING BASIC MILITARY TRAINING (BOOT CAMP), OR IN A NON-PAY STATUS. SECTION 604 OF THE FY 2001 NDAA AUTHORIZED A MONTHLY SUPPLEMENTAL ALLOWANCE, NOT TO EXCEED \$500, TO MEMBERS WHO QUALIFY FOR FOOD STAMPS. THE VALUE OF EITHER THE MEMBER'S BASIC ALLOWANCE FOR HOUSING OR THE "IN-KIND" BENEFIT FOR MEMBERS RESIDING IN MILITARY HOUSING MUST BE INCLUDED AS INCOME IN DETERMINING ELIGIBILITY.

COMPUTATION OF FUND REQUIREMENTS IS PROVIDED IN THE FOLLOWING TABLE:

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
(1) BASIC ALLOWANCE FOR SUBSISTENCE									
(A) WHEN AUTHORIZED TO MESS SEPARATELY	0	\$0.00	\$0	274,964	\$2,174.38	\$597,876	274,224	\$2,965.80	\$813,294
(B) WHEN RATIONS IN KIND NOT AVAILABLE	0	0.00	0	30,032	2,355.99	70,755	29,642	3,149.95	93,371
(C) BAS II							299	5,931.60	1,774
(D) AUGMENTATION OF COMMUTED RATIONS ALLOWED FOR MEALS TAKEN SEPARATELY	0	0.00	0	(1,423)	109.20	155	(1,418)	148.73	211
(E) LESS COLLECTIONS			<u>0</u>			<u>238,210</u>			<u>334,893</u>
TOTAL (1)	0		\$0	304,996		\$430,576	304,165		\$573,757

(IN THOUSANDS OF DOLLARS)

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
(2) SUBSISTENCE-IN-KIND									
(A) SUBSISTENCE-IN-MESS									
(1) TRAINEE / NON-PAY STATUS	0	\$0.00	\$0	11,132	\$1,640.73	\$18,265	11,002	\$2,259.35	\$24,857
(2) MEMBERS TAKING MEALS IN MESS	<u>0</u>	0.00	<u>0</u>	<u>87,222</u>	1,841.31	<u>160,603</u>	<u>88,431</u>	2531.54	<u>223,867</u>
TOTAL (2)(A)				<u>98,354</u>		<u>\$178,868</u>	<u>99,433</u>		<u>\$248,724</u>
(B) OPERATIONAL RATIONS									
(1) MRES			0			1,422			1,216
(2) UNITIZED RATIONS			0			1,073			2,257
(3) OTHER PACKAGE OPERATIONAL RATIONS			<u>0</u>			<u>18</u>			<u>26</u>
TOTAL (2)(B)			<u>0</u>			<u>2,513</u>			<u>3,499</u>
(C) AUGMENTATION RATIONS / OTHER PROGRAMS									
(1) AUGMENTATION RATIONS	0	0.00	0	38,773	136.50	5,293	38,051	193.45	7,361
(2) OTHER REGIONALIZATION			0			0			0
(3) OTHER MESSING			<u>0</u>			<u>62,620</u>			<u>85,011</u>
TOTAL (2)(C)			<u>0</u>			<u>67,913</u>			<u>92,372</u>
TOTAL (2)			0			249,294			344,595
(3) FAMILY SUBSISTENCE SUPPLEMENTAL ALLOWANCE			<u>35</u>			<u>2,640</u>			<u>2,640</u>
SUBTOTAL 4-A			<u>35</u>			<u>682,510</u>			<u>920,992</u>
LESS REIMBURSABLES			<u>0</u>			<u>33,740</u>			<u>45,159</u>
TOTAL 4-A			<u>\$35</u>			<u>\$648,770</u>			<u>\$875,833</u>

PERMANENT CHANGE OF STATION TRAVEL
SCHEDULE OF INCREASES AND DECREASES
(IN THOUSANDS OF DOLLARS)

			<u>AMOUNT</u>
FY 2002 DIRECT PROGRAM			\$654,445
INCREASES			
ADDITIONAL PLANNED OFFICER ACCESSION AND MIDSHIPMEN SEPARATION MOVES, OFFICERS AND ENLISTED TRAINING OPERATIONAL AND ROTATIONAL MOVES			56,945
COMMERCIALLY PROCURED SERVICES			4,871
INCREASE DUE TO 1.3% PROJECTED INFLATION			
COMMERCIAL AIR, PASSENGERS		499	
COMMERCIAL AIR, HOUSEHOLD GOODS		24	
HOUSEHOLD GOODS, LAND		3,013	
INTERNATIONAL GOVERNMENT BILL OF LADING		1,184	
TRAILER ALLOWANCE		9	
NON-TEMP		142	
INDUSTRIALLY FUNDED SERVICES			5,233
INCREASE DUE TO PROJECTED INFLATION			
AIR MOBILITY COMMAND, PASSENGER	10.7%	770	
AIR MOBILITY COMMAND, CARGO	11.0%	4,463	
PAY RAISE			4,302
ANNUALIZATION OF 6.9% PAY RAISE EFFECTIVE 1 JANUARY 2002		1,529	
FY 2003 PAY RAISE OF 4.1% EFFECTIVE 1 JANUARY 2003		2,773	
FY 2002 NATIONAL DEFENSE AUTHORIZATION ACT PROVISIONS			14,252
MINIMUM PER DIEM UPON PCS TRAVEL		7,300	
TEMPORARY LODGING EXPENSE \$110 TO \$180		1,836	
INCREASED WEIGHT ALLOWANCE FOR JUNIOR ENLISTED		4,800	
DLA TO FIRST DUTY STATION AND MBR MARRIED TO OTHER MEMBER		316	
TOTAL INCREASES			85,603

(IN THOUSANDS OF DOLLARS)

DECREASES			<u>AMOUNT</u>
FEWER ENLISTED AND MIDSHIPMEN ACCESSION, OFFICER AND ENLISTED SEPARATION MOVES			-7,631
INDUSTRIALLY FUNDED SERVICES			-6,902
MILITARY TRAFFIC MANAGEMENT COMMAND, LINER OCEAN TRANSPORTATION	-8.4%	-235	
MILITARY TRAFFIC MANAGEMENT COMMAND, CARGO OPERATIONS	-38.3%	-442	
MILITARY TRAFFIC MANAGEMENT COMMAND, GLOBAL POV	-14.7%	-6,225	
TOTAL DECREASES			-14,533
FY 2003 DIRECT PROGRAM			\$725,515

SUMMARY OF PROJECT REQUIREMENT MOVES
(IN THOUSANDS OF DOLLARS)

	FY 2001		FY 2002		FY 2003	
	NO. MOVES	AMOUNT	NO. MOVES	AMOUNT	NO. MOVES	AMOUNT
(1) ACCESSION TRAVEL <u>1/</u>	58,029	\$56,760	58,248	\$61,203	55,739	\$64,511
(2) TRAINING TRAVEL	19,071	58,054	16,185	50,358	17,873	58,287
(3) OPERATIONAL TRAVEL BETWEEN DUTY STATIONS	36,164	164,372	33,111	153,972	36,599	180,140
(4) ROTATIONAL TRAVEL TO AND FROM OVERSEAS	25,971	249,367	24,388	236,183	26,995	268,923
(5) SEPARATION TRAVEL <u>1/</u>	43,598	90,139	49,775	108,010	46,998	105,254
(6) TRAVEL OF ORGANIZED UNITS <u>2/</u>	3,755	16,772	3,969	18,821	3,969	19,375
(7) IPCOT / OTEIP		7,213		7,140		7,247
(8) NON-TEMPORARY STORAGE		10,483		10,920		11,390
(9) TEMPORARY LODGING EXPENSE	_____	<u>6,840</u>	_____	<u>11,338</u>	_____	<u>13,888</u>
TOTAL OBLIGATIONS	186,588	660,000	185,676	657,945	188,173	729,015
LESS REIMBURSABLES		<u>7,894</u>		<u>3,500</u>		<u>3,500</u>
TOTAL DIRECT OBLIGATIONS		<u>\$652,106</u>		<u>\$654,445</u>		<u>\$725,515</u>

1/ INCLUDES ACADEMY MIDSHIPMEN

2/ REFLECTS NUMBER OF FAMILY MOVES

PERMANENT CHANGE OF STATION TRAVEL
SUMMARY OF REQUIREMENTS BY TYPES OF COSTS
(IN THOUSANDS OF DOLLARS)

	FY 2001		FY 2002		FY 2003	
	NO. MOVES	AMOUNT	NO. MOVES	AMOUNT	NO. MOVES	AMOUNT
(1) TRAVEL OF MILITARY MEMBERS <u>1/</u>						
MILEAGE AND PER DIEM	189,964	\$97,993	189,278	\$96,631	191,775	\$114,714
AMC	5,571	4,809	5,449	4,952	5,824	5,874
COMMERCIAL AIR	<u>24,213</u>	<u>15,581</u>	<u>24,606</u>	<u>15,683</u>	<u>25,875</u>	<u>16,835</u>
TOTAL (1)	219,748	118,383	219,333	117,266	223,474	134,423
(2) TRAVEL OF DEPENDENTS (FAMILY)						
MILEAGE	56,305	24,964	55,284	24,127	57,838	26,102
MAC	2,243	1,685	2,169	1,730	2,368	2,090
COMMERCIAL AIR	<u>28,109</u>	<u>19,791</u>	<u>28,172</u>	<u>20,334</u>	<u>30,262</u>	<u>22,059</u>
TOTAL (2)	86,657	46,440	85,625	46,191	90,468	50,251
(3) TRANSPORTATION OF HOUSEHOLD GOODS						
M TONS – MSC	31,702	2,650	34,153	2,614	35,775	2,566
S TONS – MAC	13,818	33,720	13,441	34,230	15,818	45,037
HOUSEHOLD GOODS LAND	85,626	222,741	84,494	220,434	88,586	239,562
ITGBL	16,038	85,173	16,094	84,100	17,284	92,284
COMMERCIAL AIR	<u>1,125</u>	<u>1,731</u>	<u>1,118</u>	<u>1,702</u>	<u>1,184</u>	<u>1,851</u>
TOTAL (3)	148,309	346,015	149,300	343,080	158,647	381,300
(4) DISLOCATION ALLOWANCE	45,568	79,449	43,527	81,075	47,627	92,954
(5) TRAILER ALLOWANCE	243	696	247	711	248	723
(6) GLOBAL POV	13,638	42,667	13,563	39,150	14,673	36,127
(7) NON-TEMPORARY STORAGE		10,483		10,920		11,390
(8) CARGO OPERATIONS		1,814		1,074		712
(9) TEMPORARY LODGING EXPENSE		6,840		11,338		13,888

(IN THOUSANDS OF DOLLARS)

	FY 2001		FY 2002		FY 2003	
	NO. MOVES	AMOUNT	NO. MOVES	AMOUNT	NO. MOVES	AMOUNT
(10) IPCOT / OTEIP		7,213		7,140		7,247
TOTAL OBLIGATIONS		<u>660,000</u>		<u>657,945</u>		<u>729,015</u>
LESS REIMBURSABLES		7,894		3,500		3,500
TOTAL DIRECT OBLIGATIONS		<u>\$652,106</u>		<u>\$654,445</u>		<u>\$725,515</u>

(IN THOUSANDS OF DOLLARS)

PROJECT: PERMANENT CHANGE OF STATION TRAVEL

PART I - PURPOSE AND SCOPE

FOR EXPENSES INCIDENT TO PERMANENT CHANGE OF STATION TRAVEL OF MILITARY PERSONNEL, INDIVIDUALLY OR AS PART OF ORGANIZED UNITS. PCS TRAVEL COSTS INCLUDE MONETARY ALLOWANCE IN LIEU OF TRANSPORTATION (MALT); TRANSPORTATION BY COMMON CARRIER (RAIL, BUS, AIR, OR WATER, INCLUDING AIR MOBILITY COMMAND (AMC) AND MILITARY SEALIFT COMMAND (MSC)); PER DIEM ALLOWANCES; ACTUAL AND NECESSARY EXPENSES AND COST OF SUBSISTENCE WHILE IN A TRAVEL STATUS, ISSUE OF MEAL TICKETS IN LIEU OF SUBSISTENCE; TRAVEL OF DEPENDENTS AND TRANSPORTATION OF BAGGAGE AND HOUSEHOLD GOODS; PORT HANDLING CHARGES FOR PERSONNEL, THEIR HOUSEHOLD GOODS, BAGGAGE AND PRIVATELY OWNED AUTOMOBILES PASSING THROUGH CONUS MILITARY TRAFFIC MANAGEMENT COMMAND (MTMC) TERMINALS; PAYMENTS OF DISLOCATION ALLOWANCES; AUTHORIZED TRANSPORTATION OF DEPENDENTS AND PERSONAL AND HOUSEHOLD EFFECTS OF DECEASED MILITARY PERSONNEL; COSTS OF CONTRACT PACKING, CRATING, HANDLING AND TEMPORARY STORAGE OF HOUSEHOLD GOODS; COST OF NON-TEMPORARY STORAGE OF HOUSEHOLD GOODS; COST OF TRAILER ALLOWANCES; TRAVEL INCIDENT TO ORGANIZATIONAL MOVEMENTS ON PERMANENT CHANGE OF STATION WHETHER FOR TRAINING OR NON-TRAINING PURPOSES; EXPENSES INCIDENT TO PCS MOVEMENT OF ANY MILITARY GROUP TRAVELING UNDER ONE ORDER FROM THE SAME POINT OF ORIGIN TO THE SAME DESTINATION; MINOR SUPPLIES AND SERVICES INCIDENT TO ORGANIZATIONAL PCS MOVEMENTS, EXPENSES AND ALLOWANCES INCIDENT TO SEPARATION TRAVEL; DISCHARGE OR RELEASE; AND TEMPORARY LODGING EXPENSE. ALSO INCLUDED IS ALL AUTHORIZED TEMPORARY DUTY TRAVEL DIRECTLY RELATED TO AND AN INTEGRAL PART OF PCS MOVEMENTS.

ALL AUTHORIZED PCS TRAVEL EXPENSES PROVIDED FOR UNDER THIS BUDGET PROGRAM SHALL BE CHARGED TO THE SAME SUBPROGRAM ACCOUNT CITED IN PCS TRAVEL ORDER OF THE MILITARY MEMBER. THE ONLY EXCEPTION IS COST OF CONTRACT COMMERCIAL STORAGE OF HOUSEHOLD GOODS ON A NON-TEMPORARY BASIS. INCLUDED ARE APPROVED RATE CHANGES FOR THE WORKING CAPITAL FUND SERVICES AND PROJECTED ANNUAL INFLATION FOR COMMERCIALLY PROCURED SERVICES. THE TERM "CONUS" (CONTINENTAL UNITED STATES) REFERRED TO HEREIN APPLIES TO THE UNITED STATES TERRITORY, INCLUDING THE ADJACENT TERRITORIAL WATERS LOCATED WITHIN THE NORTH AMERICAN CONTINENT BETWEEN CANADA AND MEXICO.

PART II - JUSTIFICATION OF FUNDS REQUESTED

THE BUDGET REQUEST INCLUDES PAY RAISE INCREASES TO DISLOCATION ALLOWANCES OF UP TO 6.9% FOR FY 2002, EFFECTIVE 1 JANUARY 2002 AND 4.1% FOR 2003 EFFECTIVE 1 JANUARY 2003. AUTHORIZED PRICE CHANGES FOR COMMERCIAL AND WORKING CAPITAL FUND SERVICES ARE ALSO INCLUDED.

(IN THOUSANDS OF DOLLARS)

PROJECT: 5-A ACCESSION TRAVEL

FY 2003	ESTIMATE	\$64,511
FY 2002	ESTIMATE	\$61,203
FY 2001	ACTUAL	\$56,760

PART I - PURPOSE AND SCOPE

(A) OFFICERS: COVERS PCS MOVEMENTS OF (1) OFFICERS APPOINTED TO A COMMISSIONED GRADE FROM CIVIL LIFE, MILITARY ACADEMIES, RESERVE AND NROTC CALLED OR RECALLED TO EXTENDED ACTIVE DUTY, FROM HOME OR POINT WHERE ORDERS WERE RECEIVED TO FIRST PERMANENT DUTY STATION OR TRAINING SCHOOL OF TWENTY WEEKS OR MORE DURATION AND (2) OFFICERS OR WARRANT OFFICERS APPOINTED OR RECALLED FROM ENLISTED STATUS FROM STATION WHERE THEY SERVED AS ENLISTED TO NEW PERMANENT DUTY STATION OR TRAINING SCHOOL OF TWENTY WEEKS OR MORE DURATION. (INCLUDES OFFICERS APPOINTED FROM ENLISTED STATUS UPON GRADUATION FROM OCS OR BASIC FLYING TRAINING.)

(B) ENLISTED: COVERS PCS MOVEMENTS OF (1) ENLISTEES, REENLISTEES, AND PRIOR SERVICE PERSONNEL FROM RECRUITING STATION OR PLACE OF ENLISTMENT TO FIRST PERMANENT DUTY STATION OR TRAINING SCHOOL OF TWENTY WEEKS OR MORE DURATION AND (2) RECALLED ENLISTED RESERVISTS FROM HOME TO FIRST PERMANENT DUTY STATION OR TRAINING SCHOOL OF TWENTY WEEKS OR MORE DURATION.

(C) OFFICER CANDIDATES: COVERS PCS MOVEMENTS OF (1) INDIVIDUALS SELECTED AS ACADEMY MIDSHIPMEN UPON ENTRY INTO THE ACADEMY AND (2) INDIVIDUALS WHO TRAVEL TO THE ACADEMY BUT FAIL TO PASS THE PHYSICAL ENTRANCE EXAMINATIONS AND RETURN HOME.

PART II - JUSTIFICATION OF FUNDS REQUESTED

PCS MOVES FOR MEMBERS ENTERING ACTIVE DUTY. ACCESSION MOVES ARE DIRECTLY RELATED TO THE NUMBER OF PERSONNEL ENTERING OR RETURNING TO ACTIVE NAVAL SERVICE. THE NUMBER OF PERSONNEL PLANNED TO BE ACCESSED IS DETERMINED BY THE NUMBER OF PERSONNEL WHO ARE EXPECTED TO SEPARATE FROM ACTIVE NAVAL SERVICE AND BY PLANNED INCREASES OR DECREASES IN PERSONNEL STRENGTH IN A GIVEN FISCAL YEAR. AVERAGE RATES ARE BASED ON STATISTICAL DATA, RATIOS AND PERCENTAGES THAT HAVE BEEN GENERATED FROM ACTUAL PCS MOVES DURING PRIOR ACCOUNTING PERIODS ADJUSTED FOR PROJECTED COST INCREASES/DECREASES.

COMPUTATION OF FUND REQUIREMENTS IS PROVIDED IN THE FOLLOWING TABLE:

(IN THOUSANDS OF DOLLARS)

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
OFFICERS									
(1) TRAVEL OF MILITARY MEMBER	5,060	\$842.91	\$4,265	4,735	\$857.39	\$4,060	5,007	\$976.81	\$4,891
(2) TRAVEL OF DEPENDENTS	1,390	653.41	909	1,302	665.41	866	1,377	675.89	930
(3) TRANSPORTATION OF HOUSEHOLD GOODS									
(A) LAND / ITGBL	3,755	3,190.63	11,981	3,514	3,244.94	11,403	3,716	3,287.09	12,215
(B) OVERSEAS			<u>172</u>			<u>170</u>			<u>204</u>
TOTAL (3)			12,153			11,573			12,419
(4) DISLOCATION ALLOWANCE	895	2,315.52	2,072	2,532	2,457.66	6,223	2,678	2,576.93	6,901
(5) TRAILER ALLOWANCE	3	2,008.47	6	2	2,042.61	4	2	2,069.17	4
(6) GLOBAL POV									
(A) FULL SERVICE	72	3,250.34	234	68	3,022.82	206	72	2,578.46	186
(B) PARTIAL SERVICE	<u>20</u>	2,583.25	<u>52</u>	<u>19</u>	2,402.42	<u>46</u>	<u>20</u>	2,049.27	<u>41</u>
TOTAL (6)	92		286	87		252	92		227
(7) CARGO OPERATIONS (HHG), M. TONS)	303	68.57	21	284	41.15	12	300	25.39	8
TOTAL OFFICERS			<u>19,712</u>			<u>22,990</u>			<u>25,380</u>
ENLISTED									
(1) TRAVEL OF MILITARY MEMBER	51,557	546.94	28,199	52,014	554.33	28,833	49,497	602.06	29,800
(2) TRAVEL OF DEPENDENTS	2,097	\$488.02	\$1,023	2,142	\$498.83	\$1,068	2,073	\$506.94	\$1,051

(IN THOUSANDS OF DOLLARS)

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
(3) TRANSPORTATION OF HOUSEHOLD GOODS									
(A) LAND / ITGBL	4,672	\$1,396.47	\$6,524	4,790	\$1,411.32	\$6,760	4,642	\$1,480.65	\$6,873
(B) OVERSEAS			<u>239</u>			<u>254</u>			<u>268</u>
TOTAL (3)			6,763			7,014			7,141
(4) DISLOCATION ALLOWANCE	41	1,441.65	59	180	1,530.29	275	178	1,604.55	286
(5) TRAILER ALLOWANCE	0	0.00	0	0	0.00	0	0	0.00	0
(6) GLOBAL POV									
(A) FULL SERVICE	137	3,250.34	445	147	3,022.82	444	144	2,578.46	371
(B) PARTIAL SERVICE	<u>39</u>	2,583.25	<u>101</u>	<u>41</u>	2,402.42	<u>98</u>	<u>41</u>	2,049.27	<u>84</u>
TOTAL (6)	176		546	188		542	185		455
(7) CARGO OPERATIONS (HHG), M. TONS)	835	35.41	<u>30</u>	892	21.19	<u>19</u>	875	13.06	<u>11</u>
TOTAL ENLISTED			<u>36,620</u>			<u>37,751</u>			<u>38,744</u>
OFFICER CANDIDATES									
(1) TRAVEL OF MILITARY MEMBER									
MIDSHIPMEN	<u>1,412</u>	303.38	<u>428</u>	<u>1,499</u>	308.23	<u>462</u>	<u>1,235</u>	313.17	<u>387</u>
TOTAL OFFICER CANDIDATES			<u>428</u>			<u>462</u>			<u>387</u>
TOTAL 5-A			<u>\$56,760</u>			<u>\$61,203</u>			<u>\$64,511</u>

(IN THOUSANDS OF DOLLARS)

PROJECT: 5-B TRAINING TRAVEL

FY 2003	ESTIMATE	\$58,287
FY 2002	ESTIMATE	\$50,358
FY 2001	ACTUAL	\$58,054

PART I - PURPOSE AND SCOPE

(A) OFFICERS: COVERS PCS MOVEMENTS OF (1) OFFICERS AND WARRANT OFFICERS FROM PREVIOUS CONUS PERMANENT DUTY STATION TO FORMAL SERVICE OR CIVILIAN SCHOOLS, INCLUDING TECHNICAL SCHOOLS, FLYING TRAINING SCHOOLS, FACTORY TRAINING, AND OTHER APPROVED COURSES OF INSTRUCTION, OF 20 WEEKS DURATION OR MORE; AND (2) OFFICER AND WARRANT OFFICER SCHOOL GRADUATES AND ELIMINEES FROM SCHOOL TO THEIR NEXT PERMANENT CONUS DUTY STATION. (EXCLUDES ACADEMY GRADUATES, OCS, NROTC GRADUATES AND OTHERS CHARGEABLE TO ACCESSION TRAVEL.)

(B) ENLISTED: COVERS PCS MOVEMENTS OF (1) ENLISTED PERSONNEL FROM PREVIOUS CONUS PERMANENT DUTY STATION TO FORMAL SERVICE OR CIVILIAN SCHOOLS, INCLUDING TECHNICAL SCHOOLS, FLYING TRAINING SCHOOLS, FACTORY TRAINING, AND OTHER APPROVED COURSES OF INSTRUCTION, OF 20 WEEKS DURATION OR MORE; (2) ENLISTED SCHOOL GRADUATES AND ELIMINEES FROM SCHOOL TO THEIR NEXT CONUS PERMANENT DUTY STATION; AND (3) ENLISTED PERSONNEL ORDERED TO TRAINING LEADING TO A COMMISSION IF SUCH TRAINING PERIOD IS OF 20 WEEKS DURATION OR MORE.

PART II - JUSTIFICATION OF FUNDS REQUESTED

ESTIMATES ARE BASED ON PLANNED TRAINING INPUT FOR OFFICER AND ENLISTED PERSONNEL NECESSARY TO MAINTAIN NEEDED SKILL LEVELS AND EDUCATIONAL REQUIREMENTS.

COMPUTATION OF FUND REQUIREMENTS IS PROVIDED IN THE FOLLOWING TABLE:

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
OFFICERS									
(1) TRAVEL OF MILITARY MEMBER	6,565	\$540.02	\$3,545	5,432	\$549.41	\$2,984	5,974	\$625.03	\$3,734
(2) TRAVEL OF DEPENDENTS	3,004	507.85	1,526	2,486	516.02	1,283	2,734	522.78	1,429
(3) TRANSPORTATION OF HOUSEHOLD GOODS									
(A) LAND / ITGBL	5,563	2,749.69	15,297	4,603	2,796.44	12,872	5,062	2,832.79	14,340
(B) OVERSEAS			70			59			67
TOTAL (3)			\$15,367			\$12,931			\$14,407

(IN THOUSANDS OF DOLLARS)

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
(4) DISLOCATION ALLOWANCE	5,495	\$2,315.32	\$12,723	4,546	\$2,457.66	\$11,173	5,000	\$2,576.93	\$12,885
(5) TRAILER ALLOWANCE	4	1,489.61	6	3	1,514.93	5	3	1,534.63	5
(6) GLOBAL POV									
(A) FULL SERVICE	81	3,250.34	263	67	3,022.82	203	73	2,578.46	188
(B) PARTIAL SERVICE	<u>23</u>	<u>2,583.25</u>	<u>59</u>	<u>19</u>	<u>2,402.42</u>	<u>46</u>	<u>21</u>	<u>2,049.27</u>	<u>43</u>
TOTAL (6)	104		322	86		249	94		231
(7) CARGO OPERATIONS (HHG), M. TONS)	79	46.99	<u>4</u>	66	28.19	<u>2</u>	72	17.40	<u>1</u>
TOTAL OFFICERS			<u>33,493</u>			<u>28,627</u>			<u>32,692</u>
ENLISTED									
(1) TRAVEL OF MILITARY MEMBER	12,506	421.39	5,270	10,753	428.56	4,608	11,899	479.84	5,710
(2) TRAVEL OF DEPENDENTS	3,401	437.77	1,489	2,925	444.80	1,301	3,236	450.63	1,458
(3) TRANSPORTATION OF HOUSEHOLD GOODS									
(A) LAND / ITGBL	5,683	1,938.93	11,019	4,886	1,971.90	9,635	5,407	2,079.93	11,246
(B) OVERSEAS			<u>60</u>			<u>55</u>			<u>72</u>
TOTAL (3)			11,079			9,690			11,318
(4) DISLOCATION ALLOWANCE	4,639	1,441.65	6,688	3,989	1,530.29	6,104	4,414	1,604.55	7,082
(5) TRAILER ALLOWANCE	5	3,526.33	18	4	3,586.28	14	4	3,632.90	15
(6) GLOBAL POV									
(A) FULL SERVICE	4	3,250.34	13	4	3,022.82	12	4	2,578.46	10
(B) PARTIAL SERVICE	<u>1</u>	<u>2,583.25</u>	<u>3</u>	<u>1</u>	<u>2,402.42</u>	<u>2</u>	<u>1</u>	<u>2,049.27</u>	<u>2</u>
TOTAL (6)	5		\$16	5		\$14	5		\$12

(IN THOUSANDS OF DOLLARS)

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
(7) CARGO OPERATIONS (HHG), M. TONS	8	\$105.67	<u>\$1</u>	7	\$63.40	<u>\$0</u>	1	\$39.12	<u>\$0</u>
TOTAL ENLISTED			<u>24,561</u>			<u>21,731</u>			<u>25,595</u>
TOTAL 5-B			<u>\$58,054</u>			<u>\$50,358</u>			<u>\$58,287</u>

(IN THOUSANDS OF DOLLARS)

PROJECT: 5-C OPERATIONAL TRAVEL

FY 2003	ESTIMATE	\$180,140
FY 2002	ESTIMATE	\$153,972
FY 2001	ACTUAL	\$164,372

PART I - PURPOSE AND SCOPE

(A) OFFICERS: COVERS PCS MOVEMENTS OF (1) OFFICERS, AND WARRANT OFFICERS TO AND FROM PERMANENT DUTY STATIONS LOCATED WITHIN THE UNITED STATES; (2) OFFICERS AND WARRANT OFFICERS TO AND FROM PERMANENT DUTY STATIONS LOCATED WITHIN AN OVERSEAS AREA WHEN NO TRANSOCEANIC TRAVEL IS INVOLVED; AND (3) DEPENDENTS, HOUSEHOLD GOODS, PERSONAL EFFECTS, TRAILER ALLOWANCES AND PRIVATELY OWNED VEHICLES OF OFFICERS AND WARRANT OFFICERS WHO ARE INTERNED, MISSING, OR CAPTURED WHEN NO TRANSOCEANIC TRAVEL IS INVOLVED. OCEANIC TRAVEL BY MEMBER FROM HOMEPORT TO JOIN DEPLOYED UNIT IS PROPER.

(B) ENLISTED: COVERS PCS MOVEMENTS OF (1) ENLISTED PERSONNEL TO AND FROM PERMANENT DUTY STATIONS LOCATED WITHIN THE UNITED STATES; (2) ENLISTED PERSONNEL TO AND FROM PERMANENT DUTY STATIONS WITHIN AN OVERSEAS AREA WHEN NO TRANSOCEANIC TRAVEL IS INVOLVED, AND (3) DEPENDENTS, HOUSEHOLD GOODS, PERSONAL EFFECTS, TRAILER ALLOWANCES, AND PRIVATELY OWNED VEHICLES OF ENLISTED PERSONNEL WHO ARE INTERNED, MISSING, OR CAPTURED WHEN NO TRANSOCEANIC TRAVEL IS INVOLVED. OCEANIC TRAVEL BY MEMBER FROM HOMEPORT TO JOIN DEPLOYED UNIT IS PROPER.

PART II - JUSTIFICATION OF FUNDS REQUESTED

OPERATIONAL MOVES ARE PCS MOVES FOR INDIVIDUALS GOING FROM ONE DUTY STATION TO ANOTHER WITHIN THE SAME THEATER WITHOUT TRANSOCEANIC TRAVEL (E.G., CONUS TO CONUS OR EUROPEAN TO EUROPEAN). OPERATIONAL MOVES ALSO INCLUDE INDIVIDUALS REASSIGNED WITHIN A GIVEN THEATER RESULTING FROM FORCE STRUCTURE CHANGES. OPERATIONAL MOVES ARE PRIMARILY A FUNCTION OF REQUIREMENTS TO BALANCE GRADE AND SKILL INVENTORIES WITH VACANCIES. AVERAGE RATES ARE BASED ON STATISTICAL DATA, RATIOS AND PERCENTAGES THAT HAVE BEEN GENERATED FROM ACTUAL PCS MOVES DURING PRIOR ACCOUNTING PERIODS ADJUSTED FOR PROJECTED PRICE CHANGES.

COMPUTATION OF FUND REQUIREMENTS IS PROVIDED IN THE FOLLOWING TABLE:

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
OFFICERS									
(1) TRAVEL OF MILITARY MEMBER	7,064	\$633.69	\$4,476	6,300	\$644.65	\$4,061	6,929	\$732.56	\$5,076
(2) TRAVEL OF DEPENDENTS	3,785	\$851.79	\$3,224	3,376	\$865.72	\$2,923	3,713	\$877.43	\$3,258

(IN THOUSANDS OF DOLLARS)

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
(3) TRANSPORTATION OF HOUSEHOLD GOODS									
(A) LAND / ITGBL	5,513	\$4,620.94	\$25,475	4,916	\$4,699.50	\$23,103	5,407	\$4,760.59	\$25,741
(B) OVERSEAS			<u>406</u>			<u>386</u>			<u>503</u>
TOTAL (3)			25,881			23,489			26,244
(4) DISLOCATION ALLOWANCE	4,802	2,315.32	11,118	4,282	2,457.66	10,524	4,710	2,576.93	12,137
(5) TRAILER ALLOWANCE	10	1,609.25	16	9	1,636.61	15	10	1,657.88	17
(6) GLOBAL POV									
(A) FULL SERVICE	143	3,250.34	465	128	3,022.82	387	140	2,578.46	361
(B) PARTIAL SERVICE	<u>40</u>	<u>2,583.25</u>	<u>103</u>	<u>36</u>	<u>2,402.42</u>	<u>86</u>	<u>40</u>	<u>2,049.27</u>	<u>82</u>
TOTAL (6)	183		568	164		473	180		443
(7) CARGO OPERATIONS (HHG), M. TONS)	263	40.53	<u>11</u>	234	24.32	<u>6</u>	258	15.00	<u>4</u>
TOTAL OFFICERS			<u>45,294</u>			<u>41,491</u>			<u>47,179</u>
ENLISTED									
(1) TRAVEL OF MILITARY MEMBER	29,100	779.48	22,683	26,811	793.00	21,261	29,670	886.47	26,302
(2) TRAVEL OF DEPENDENTS	11,691	806.13	9,424	10,772	819.33	8,826	11,920	830.10	9,895
(3) TRANSPORTATION OF HOUSEHOLD GOODS									
(A) LAND / ITGBL	16,012	3,977.91	63,694	14,753	4,045.53	59,684	16,326	4,267.00	69,663
(B) OVERSEAS			<u>5,361</u>			<u>5,285</u>			<u>7,018</u>
TOTAL (3)			69,055			64,969			76,681
(4) DISLOCATION ALLOWANCE	11,841	1,441.65	17,071	10,909	1,530.29	16,694	12,073	1,604.55	19,372
(5) TRAILER ALLOWANCE	57	\$2,786.81	\$159	53	\$2,834.19	\$150	58	\$2,871.03	\$167

(IN THOUSANDS OF DOLLARS)

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
(6) GLOBAL POV									
(A) FULL SERVICE	167	\$3,250.34	543	154	\$3,022.82	\$466	170	\$2,578.46	\$438
(B) PARTIAL SERVICE	<u>47</u>	2,583.25	<u>121</u>	<u>43</u>	2,402.42	<u>103</u>	<u>48</u>	2,049.27	<u>98</u>
TOTAL (6)	214		664	197		569	218		536
 (7) CARGO OPERATIONS									
(HHG), M. TONS)	496	44.78	<u>22</u>	457	26.87	<u>12</u>	506	16.58	<u>8</u>
 TOTAL ENLISTED			<u>119,078</u>			<u>112,481</u>			<u>132,961</u>
 TOTAL 5-C			<u>\$164,372</u>			<u>\$153,972</u>			<u>\$180,140</u>

(IN THOUSANDS OF DOLLARS)

PROJECT: 5-D ROTATIONAL TRAVEL

FY 2003	ESTIMATE	\$268,923
FY 2002	ESTIMATE	\$236,183
FY 2001	ACTUAL	\$249,367

PART I - PURPOSE AND SCOPE

(A) OFFICERS: COVERS PCS MOVEMENTS OF (1) OFFICERS AND WARRANT OFFICERS FROM PERMANENT DUTY STATIONS IN CONUS TO PERMANENT DUTY STATIONS OVERSEAS; (2) OFFICERS AND WARRANT OFFICERS FROM PERMANENT DUTY STATIONS OVERSEAS TO PERMANENT DUTY STATIONS IN CONUS; (3) OFFICERS AND WARRANT OFFICERS FROM PERMANENT DUTY STATIONS IN AN OVERSEAS AREA TO PERMANENT DUTY STATIONS IN ANOTHER OVERSEAS AREA WHEN TRANSOCEANIC TRAVEL IS INVOLVED; AND (4) DEPENDENTS, HOUSEHOLD GOODS, PERSONAL EFFECTS, TRAILER ALLOWANCES AND PRIVATELY OWNED VEHICLES OF OFFICERS AND WARRANT OFFICERS WHO ARE INTERNED, MISSING, OR CAPTURED WHEN TRANSOCEANIC TRAVEL IS INVOLVED.

(B) ENLISTED: COVERS PCS MOVEMENTS OF (1) ENLISTED PERSONNEL FROM PERMANENT DUTY STATIONS IN CONUS TO PERMANENT DUTY STATION OVERSEAS; (2) ENLISTED PERSONNEL FROM DUTY STATIONS OVERSEAS TO PERMANENT DUTY STATIONS IN CONUS; (3) ENLISTED PERSONNEL FROM PERMANENT DUTY STATIONS IN ONE OVERSEAS AREA TO PERMANENT DUTY STATIONS IN ANOTHER OVERSEAS AREA WHEN TRANSOCEANIC TRAVEL IS INVOLVED; AND (4) DEPENDENTS, HOUSEHOLD GOODS, PERSONAL EFFECTS, TRAILER ALLOWANCES AND PRIVATELY OWNED VEHICLES OF ENLISTED PERSONNEL WHO ARE INTERNED, MISSING, OR CAPTURED WHEN TRANSOCEANIC TRAVEL IS INVOLVED.

PART II - JUSTIFICATION OF FUNDS REQUESTED

ROTATIONAL TRAVEL MOVES ARE PCS MOVES FOR PERSONNEL GOING FROM CONUS TO AN OVERSEAS ASSIGNMENT, OR RETURNING FROM AN OVERSEAS ASSIGNMENT TO CONUS. ROTATIONAL MOVES ARE A FUNCTION OF OVERSEAS STRENGTH IN ACCOMPANIED (LONG TOUR) AREAS AND IN UNACCOMPANIED (SHORT TOUR) AREAS. AVERAGE RATES ARE BASED ON STATISTICAL DATA, RATIOS AND PERCENTAGES THAT HAVE BEEN GENERATED FROM ACTUAL PCS MOVES DURING PRIOR ACCOUNTING PERIODS ADJUSTED FOR PROJECTED PRICE CHANGES.

COMPUTATION OF FUND REQUIREMENTS IS PROVIDED IN THE FOLLOWING TABLE:

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
OFFICERS									
(1) TRAVEL OF MILITARY MEMBER	5,315	\$1,244.12	\$6,612	4,830	\$1,267.27	\$6,121	5,312	\$1,391.59	\$7,392
(2) TRAVEL OF DEPENDENTS	3,274	\$1,731.55	\$5,669	2,975	\$1,765.02	\$5,251	3,272	\$1,798.62	\$5,885

(IN THOUSANDS OF DOLLARS)

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
(3) TRANSPORTATION OF HOUSEHOLD GOODS									
(A) LAND / ITGBL	8,561	\$4,093.37	\$35,043	7,780	\$4,162.96	\$32,388	8,556	\$4,217.08	\$36,081
(B) OVERSEAS			<u>11,077</u>			<u>10,718</u>			<u>13,943</u>
TOTAL (3)			46,120			43,106			50,024
(4) DISLOCATION ALLOWANCE	4,168	2,315.32	9,650	3,788	2,457.66	9,310	4,166	2,576.93	10,735
(5) TRAILER ALLOWANCE	4	5,705.30	23	4	5,802.29	23	4	5,877.72	24
(6) GLOBAL POV									
(A) FULL SERVICE	2,172	3,250.34	7,060	1,974	3,022.82	5,967	2,171	2,578.46	5,598
(B) PARTIAL SERVICE	<u>613</u>	2,583.25	<u>1,584</u>	<u>557</u>	2,402.42	<u>1,338</u>	<u>612</u>	2,049.27	<u>1,254</u>
TOTAL (6)	2,785		8,644	2,531		7,305	2,783		6,852
(7) CARGO OPERATIONS (HHG), M. TONS)	6,811	50.02	<u>341</u>	6,190	30.01	<u>186</u>	6,807	18.52	<u>126</u>
TOTAL OFFICERS			<u>77,059</u>			<u>71,302</u>			<u>81,038</u>
ENLISTED									
(1) TRAVEL OF MILITARY MEMBER	20,656	1,201.77	24,824	19,558	1,226.59	23,990	21,683	1,337.67	29,005
(2) TRAVEL OF DEPENDENTS	9,968	1,514.99	15,101	9,438	1,545.30	14,585	10,464	1,576.98	16,502
(3) TRANSPORTATION OF HOUSEHOLD GOODS									
(A) LAND / ITGBL	26,940	2,637.75	71,061	25,508	2,682.59	68,428	28,279	2,758.71	78,014
(B) OVERSEAS			<u>18,138</u>			<u>18,255</u>			<u>23,665</u>
TOTAL (3)			89,199			86,683			101,679
(4) DISLOCATION ALLOWANCE	10,763	1,441.65	15,516	10,191	1,530.29	15,595	11,298	1,604.55	18,128
(5) TRAILER ALLOWANCE	16	\$2,451.25	\$39	15	\$2,492.92	\$37	17	\$2,525.33	\$43

(IN THOUSANDS OF DOLLARS)

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
(6) GLOBAL POV									
(A) FULL SERVICE	6,673	\$3,250.34	\$21,690	6,318	\$3,022.82	\$19,098	7,004	\$2,578.46	\$18,060
(B) PARTIAL SERVICE	<u>1,882</u>	2,583.25	<u>4,862</u>	<u>1,782</u>	2,402.42	<u>4,281</u>	<u>1,976</u>	2,049.27	<u>4,049</u>
TOTAL (6)	6,673		26,552	8,100		23,379	8,980		22,109
(7) CARGO OPERATIONS									
(HHG), M. TONS	21,039	51.21	<u>1,077</u>	19,921	30.73	<u>612</u>	22,085	18.96	<u>419</u>
TOTAL ENLISTED			<u>172,308</u>			<u>164,881</u>			<u>187,885</u>
TOTAL 5-D			<u>\$249,367</u>			<u>\$236,183</u>			<u>\$268,923</u>

(IN THOUSANDS OF DOLLARS)

PROJECT: 5-E SEPARATION TRAVEL

FY 2003	ESTIMATE	\$105,254
FY 2002	ESTIMATE	\$108,010
FY 2001	ACTUAL	\$90,139

PART I - PURPOSE AND SCOPE

(A) OFFICERS: COVERS PCS MOVEMENTS OF (1) OFFICERS AND WARRANT OFFICERS UPON RELEASE OR SEPARATION FROM THE SERVICE FROM LAST PERMANENT DUTY STATION TO HOME OF RECORD OR ENTRY INTO SERVICE OR TO HOME OF SELECTION WHEN AUTHORIZED BY LAW; AND (2) DEPENDENTS, HOUSEHOLD GOODS, TRAILER ALLOWANCES AND PERSONAL EFFECTS OF OFFICERS AND WARRANT OFFICERS WHO ARE DECEASED.

(B) ENLISTED: COVERS PCS MOVEMENTS OF (1) ENLISTED PERSONNEL UPON RELEASE OR SEPARATION FROM THE SERVICE FROM LAST PERMANENT DUTY STATION TO HOME OF RECORD OR POINT OF ENTRY INTO SERVICE, OR TO HOME OF SELECTION WHEN AUTHORIZED BY LAW; AND (2) DEPENDENTS, HOUSEHOLD GOODS, TRAILER ALLOWANCES AND PERSONAL EFFECTS OF ENLISTED PERSONNEL WHO ARE DECEASED.

(C) OFFICER CANDIDATES: COVERS PCS MOVEMENT UPON SEPARATION OF ACADEMY MIDSHIPMEN OR AVIATION CADETS TO HOME OF RECORD OR POINT OF ENTRY INTO SERVICE.

PART II - JUSTIFICATION OF FUNDS REQUESTED

ESTIMATES ARE BASED ON PLANNED PERSONNEL LOSSES AND RETIREMENTS.

COMPUTATION OF FUND REQUIREMENTS IS PROVIDED IN THE FOLLOWING TABLE:

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
OFFICERS									
(1) TRAVEL OF MILITARY MEMBER	3,859	\$434.44	\$1,677	4,576	\$432.67	\$1,980	4,560	\$488.94	\$2,230
(2) TRAVEL OF DEPENDENTS	2,315	497.55	1,152	2,753	480.04	1,322	2,743	486.47	1,334
(3) TRANSPORTATION OF HOUSEHOLD GOODS									
(A) LAND / ITGBL	3,552	3,185.98	11,317	4,163	3,207.70	13,354	4,148	3,249.23	13,478
(B) OVERSEAS			1,361			1,509			1,725
TOTAL (3)			\$12,678			\$14,863			\$15,203

(IN THOUSANDS OF DOLLARS)

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
(4) DISLOCATION ALLOWANCE	0	\$0.00	\$0	0	\$0.00	\$0	0	\$0.00	\$0
(5) TRAILER ALLOWANCE	10	1,220.98	12	12	1,241.74	15	12	1,257.88	15
(6) GLOBAL POV									
(A) FULL SERVICE	287	3,250.34	933	313	3,022.82	946	311	2,578.46	802
(B) PARTIAL SERVICE	<u>81</u>	2,583.25	<u>209</u>	<u>88</u>	2,402.42	<u>211</u>	<u>88</u>	2,049.27	<u>180</u>
TOTAL (6)	368		1,142	401		1,157	399		982
(7) CARGO OPERATIONS (HHG), M. TONS)	4,220	43.45	<u>183</u>	4,302	26.35	<u>113</u>	4,283	16.26	<u>70</u>
TOTAL OFFICERS			<u>16,844</u>			<u>19,450</u>			<u>19,834</u>
ENLISTED									
(1) TRAVEL OF MILITARY MEMBER	39,484	361.24	14,263	44,934	369.22	16,591	42,168	410.81	17,323
(2) TRAVEL OF DEPENDENTS	11,624	393.48	4,574	13,146	469.82	6,176	12,337	476.69	5,881
(3) TRANSPORTATION OF HOUSEHOLD GOODS									
(A) LAND / ITGBL	17,972	2,822.55	50,727	21,891	2,758.96	60,396	20,544	2,794.82	57,417
(B) OVERSEAS			<u>1,069</u>			<u>1,666</u>			<u>1,768</u>
TOTAL (3)			51,796			62,062			59,185
(4) DISLOCATION ALLOWANCE	0	0.00	0	0	0.00	0	0	0.00	0
(5) TRAILER ALLOWANCE	95	3,114.50	296	106	3,106.94	329	99	3,147.33	312
(6) GLOBAL POV									
(A) FULL SERVICE	546	3,250.34	1,775	869	3,022.82	2,627	816	2,578.46	2,104
(B) PARTIAL SERVICE	<u>154</u>	2,583.25	<u>398</u>	<u>245</u>	2,402.42	<u>589</u>	<u>230</u>	2,049.27	<u>471</u>
TOTAL (6)	700		\$2,173	1,114		\$3,216	1,046		\$2,575

(IN THOUSANDS OF DOLLARS)

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
(7) CARGO OPERATIONS (HHG), M. TONS	5,643	\$21.07	<u>\$119</u>	9,308	\$11.64	<u>\$108</u>	8,735	\$7.18	<u>\$63</u>
TOTAL ENLISTED			<u>73,221</u>			<u>88,482</u>			<u>85,339</u>
OFFICER CANDIDATES									
(1) TRAVEL OF MILITARY MEMBER									
MIDSHIPMEN	255	290.16	<u>74</u>	265	294.80	<u>78</u>	270	299.52	<u>81</u>
TOTAL OFFICER CANDIDATES			<u>74</u>			<u>78</u>			<u>81</u>
TOTAL 5-E			<u>\$90,139</u>			<u>\$108,010</u>			<u>\$105,254</u>

(IN THOUSANDS OF DOLLARS)

PROJECT: 5-F TRAVEL OF ORGANIZED UNITS

FY 2003	ESTIMATE	\$19,375
FY 2002	ESTIMATE	\$18,821
FY 2001	ACTUAL	\$16,772

PART I - PURPOSE AND SCOPE

(A) OFFICERS: COVERS PCS MOVEMENTS, CONUS OR OVERSEAS, OF OFFICERS AND WARRANT OFFICERS DIRECTED TO MOVE AS MEMBERS OF AN ORGANIZED UNIT MOVEMENT.

(B) ENLISTED: COVERS PCS MOVEMENTS, CONUS OR OVERSEAS, OF ENLISTED PERSONNEL DIRECTED TO MOVE AS MEMBERS OF AN ORGANIZED UNIT MOVEMENT.

PART II - JUSTIFICATION OF FUNDS REQUESTED

ORGANIZED UNIT MOVES ARE PCS MOVES ASSOCIATED WITH TRANSFERRING THE FAMILIES AND BELONGINGS OF PERSONNEL ASSIGNED TO UNITS WHICH ARE RELOCATED FROM ONE STATION TO ANOTHER. THESE MOVES ARE A FUNCTION OF KNOWN CHANGES IN PROJECTED FORCE POSITIONING DUE TO OPERATIONAL REQUIREMENTS. AVERAGE RATES ARE BASED ON A POINT-TO-POINT PRICING OF EACH UNIT MOVE UTILIZING STATISTICAL DATA, RATIOS, AND PERCENTAGES THAT HAVE BEEN GENERATED FROM ACTUAL PCS MOVES DURING A GIVEN PERIOD.

COMPUTATION OF FUND REQUIREMENTS IS PROVIDED IN THE FOLLOWING TABLE:

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
OFFICERS									
(1) TRAVEL OF MILITARY MEMBER	926	\$322.74	\$299	1,076	\$326.67	\$351	1,076	\$369.87	\$398
(2) TRAVEL OF DEPENDENTS	454	493.23	224	525	503.15	264	525	510.29	268
(3) TRANSPORTATION OF HOUSEHOLD GOODS									
(A) LAND / ITGBL	451	1,503.68	678	517	1,545.85	799	517	1,565.95	810
(B) OVERSEAS			40			47			55
TOTAL (3)			718			846			865
(4) DISLOCATION ALLOWANCE	387	2,315.32	896	450	2,457.66	1,106	450	2,576.93	1,160
(5) TRAILER ALLOWANCE	0	\$0.00	\$0	0	\$0.00	\$0	0	\$0.00	\$0

(IN THOUSANDS OF DOLLARS)

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
(6) GLOBAL POV									
(A) FULL SERVICE	42	3,250.34	\$137	47	3,022.82	\$142	47	2,578.46	\$121
(B) PARTIAL SERVICE	<u>12</u>	2,583.25	<u>31</u>	<u>13</u>	2,402.42	<u>31</u>	<u>13</u>	2,049.27	<u>27</u>
TOTAL (6)	54		168	60		173	60		148
(7) CARGO OPERATIONS (HHG), M. TONS)	43	12.69	<u>1</u>	47	7.61	<u>0</u>	47	4.70	<u>0</u>
TOTAL OFFICERS			<u>2,306</u>			<u>2,740</u>			<u>2,839</u>
ENLISTED									
(1) TRAVEL OF MILITARY MEMBER	6,205	284.94	1,768	6,495	290.45	1,886	6,495	322.60	2,095
(2) TRAVEL OF DEPENDENTS	3,301	643.73	2,125	3,444	676.04	2,328	3,444	685.70	2,362
(3) TRANSPORTATION OF HOUSEHOLD GOODS									
(A) LAND / ITGBL	2,989	1,705.66	5,098	3,266	1,749.06	5,712	3,266	1,827.52	5,969
(B) OVERSEAS			<u>109</u>			<u>141</u>			<u>166</u>
TOTAL (3)			5,207			5,853			6,135
(4) DISLOCATION ALLOWANCE	2,537	1,441.65	3,657	2,660	1,530.29	4,071	2,660	1,604.55	4,268
(5) TRAILER ALLOWANCE	39	3,022.32	118	39	3,034.08	118	39	3,073.52	120
(6) GLOBAL POV									
(A) FULL SERVICE	399	3,250.34	1,297	492	3,022.82	1,487	492	2,578.46	1,269
(B) PARTIAL SERVICE	<u>112</u>	2,583.25	<u>289</u>	<u>139</u>	2,402.42	<u>334</u>	<u>139</u>	2,049.27	<u>285</u>
TOTAL (6)	511		\$1,586	631		\$1,821	631		\$1,554

(IN THOUSANDS OF DOLLARS)

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
(7) CARGO OPERATIONS (HHG), M. TONS)	388	\$12.70	\$5	482	\$7.62	\$4	482	\$4.70	\$2
TOTAL ENLISTED			<u>14,466</u>			<u>16,081</u>			<u>16,536</u>
TOTAL 5-F			<u>\$16,772</u>			<u>\$18,821</u>			<u>\$19,375</u>

(IN THOUSANDS OF DOLLARS)

PROJECT: 5-G NONTEMPORARY STORAGE

FY 2003	ESTIMATE	\$11,390
FY 2002	ESTIMATE	\$10,920
FY 2001	ACTUAL	\$10,483

PART I - PURPOSE AND SCOPE

COVERS THE COST OF HOUSEHOLD GOODS PLACED IN STORAGE AT GOVERNMENT EXPENSE OR MOVED TO ANOTHER DESTINATION UNDER THE PROVISIONS OF 37 U.S.C. 406 WHEN A MEMBER IS ORDERED TO A DUTY STATION TO WHICH THE SHIPMENT OF HOUSEHOLD GOODS IS NOT AUTHORIZED.

PART II - JUSTIFICATION OF FUNDS REQUESTED

ENTITLEMENT FOR NON-TEMPORARY STORAGE EXISTS WHEN PERSONAL PROPERTY SHIPMENT IS NOT AUTHORIZED OR ELECTED. THE NUMBER PLANNED IS DETERMINED BY HISTORICAL ACTUAL DATA OF MEMBERS THAT EXERCISED THE ENTITLEMENT. AVERAGE RATES ARE ALSO BASED ON STATISTICAL DATA ADJUSTED FOR PROJECTED COST INCREASES/DECREASES.

FUND REQUIREMENTS ARE PROVIDED IN THE FOLLOWING TABLE:

	<u>FY 2001</u> AMOUNT	<u>FY 2002</u> AMOUNT	<u>FY 2003</u> AMOUNT
NONTEMPORARY STORAGE	<u>\$10,483</u>	<u>\$10,920</u>	<u>\$11,390</u>
TOTAL 5-G	<u>\$10,483</u>	<u>\$10,920</u>	<u>\$11,390</u>

(IN THOUSANDS OF DOLLARS)

PROJECT: 5-H TEMPORARY LODGING EXPENSE

FY 2003	ESTIMATE	\$13,888
FY 2002	ESTIMATE	\$11,338
FY 2001	ACTUAL	\$6,840

PART I - PURPOSE AND SCOPE

FOR REIMBURSEMENT OF EXPENSES INCURRED AS A RESULT OF A PCS MOVE, NOT TO EXCEED \$110 PER DAY FOR UP TO TEN DAYS UNDER THE PROVISIONS OF 37 U.S.C. 404D. LIMITED TO FIVE DAYS WITHIN CONUS WHEN MEMBER MOVES FROM CONUS TO OVERSEAS.

PART II - JUSTIFICATION OF FUNDS REQUESTED

DEFRAYS SOME OF THE EXPENSES OF TEMPORARY LODGING INCURRED WHEN RELOCATING BETWEEN PERMANENT DUTY STATIONS. RATIOS AND PERCENTAGES OF PERSONNEL TO USE THE ENTITLEMENT ARE BASED ON STATISTICAL DATA OF PREVIOUS ENTITLEMENTS USED IN ACTUAL MOVES. AVERAGE RATES ARE BASED ON STATISTICAL DATA FROM ACTUAL PCS MOVES DURING PRIOR ACCOUNTING PERIODS.

FUND REQUIREMENTS ARE PROVIDED IN THE FOLLOWING TABLE:

	<u>FY 2001</u> AMOUNT	<u>FY 2002</u> AMOUNT	<u>FY 2003</u> AMOUNT
TEMPORARY LODGING EXPENSE	<u>\$6,840</u>	<u>\$11,338</u>	<u>\$13,888</u>
TOTAL 5-H	<u>\$6,840</u>	<u>\$11,338</u>	<u>\$13,888</u>

(IN THOUSANDS OF DOLLARS)

PROJECT: 5-I IN-PLACE CONSECUTIVE OVERSEAS TOUR

FY 2003	ESTIMATE	\$5,782
FY 2002	ESTIMATE	\$5,697
FY 2001	ACTUAL	\$5,643

PART I - PURPOSE AND SCOPE

COVERS THE COST OF MEMBERS/DEPENDENTS TRAVEL IN CONNECTION WITH LEAVE TAKEN BETWEEN CONSECUTIVE IN-PLACE OVERSEAS DUTY ASSIGNMENTS.

PART II - JUSTIFICATION OF FUNDS REQUESTED

THIS ENTITLEMENT IS FOR IN-PLACE CONSECUTIVE OVERSEAS TOUR LEAVE TRAVEL AND TRANSPORTATION ALLOWANCES FOR THE MEMBER AND COMMAND SPONSORED DEPENDENTS WHO ARE AUTHORIZED TO ACCOMPANY THE MEMBER AT THE DUTY STATIONS.

COMPUTATION OF FUND REQUIREMENTS IS PROVIDED IN THE FOLLOWING TABLE:

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
OFFICERS	112	\$7,352.25	\$823	112	\$7,462.54	\$836	112	\$7,574.47	\$848
ENLISTED	<u>884</u>	5,452.49	<u>4,820</u>	<u>884</u>	5,498.62	<u>4,861</u>	<u>884</u>	\$5,581.10	<u>4,934</u>
TOTAL 5-I	<u>996</u>		<u>\$5,643</u>	<u>996</u>		<u>\$5,697</u>	<u>996</u>		<u>\$5,782</u>

(IN THOUSANDS OF DOLLARS)

PROJECT: 5-J OVERSEAS TOUR EXTENSION INCENTIVES PROGRAM (OTEIP)

FY 2003	ESTIMATE	\$1,465
FY 2002	ESTIMATE	\$1,443
FY 2001	ACTUAL	\$1,570

PART I - PURPOSE AND SCOPE

THE OTEIP IS OFFERED TO ELIGIBLE ENLISTED PERSONNEL FOR EXTENSION OF THEIR CURRENT PLANNED ROTATION DATE FOR 12 MONTHS OR MORE OUTSIDE THE CONTINENTAL UNITED STATES.

PART II - JUSTIFICATION OF FUNDS REQUESTED

ENTITLEMENT TO THE OVERSEAS TOUR EXTENSION INCENTIVE OCCURS WHEN MEMBERS OF THE ARMED FORCES ARE AUTHORIZED REST AND RECUPERATIVE ABSENCE OF NOT MORE THAN 15 DAYS, ROUND TRIP TRANSPORTATION AT GOVERNMENT EXPENSE FROM THE LOCATION OF THE EXTENDED TOUR OF DUTY TO THE PORT OF DEBARKATION AND RETURN DURING THE PERIOD OF THE EXTENSION.

COMPUTATION OF FUND REQUIREMENTS IS PROVIDED IN THE FOLLOWING TABLE:

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
ENLISTED	<u>969</u>	\$1,620.52	<u>\$1,570</u>	<u>\$885</u>	\$1,630.79	<u>\$1,443</u>	<u>885</u>	\$1,655.36	<u>\$1,465</u>
TOTAL 5-J	<u>969</u>		<u>1,570</u>	<u>885</u>		<u>1,443</u>	<u>885</u>		<u>1,465</u>
TOTAL OBLIGATIONS			660,000			657,945			729,015
LESS REIMBURSABLE OBLIGATIONS			<u>7,894</u>			<u>3,500</u>			<u>3,500</u>
TOTAL DIRECT OBLIGATIONS			<u>\$652,106</u>			<u>\$654,445</u>			<u>\$725,515</u>

OTHER MILITARY PERSONNEL COSTS
SCHEDULE OF INCREASES AND DECREASES
(IN THOUSANDS OF DOLLARS)

		<u>AMOUNT</u>
FY 2002 DIRECT PROGRAM		\$69,971
INCREASES		
APPREHENSION OF MILITARY DESERTERS, ABSENTEES, AND ESCAPED MILITARY PRISONERS INCREASE DUE TO INFLATION	13	13
INTEREST ON SAVINGS DEPOSIT INCREASE DUE TO INFLATION	3	3
DEATH GRATUITIES PROJECTION BASED ON FY 2001 DATA	30	30
UNEMPLOYMENT COMPENSATION INCREASE IN NUMBER OF MEMBERS ENTITLED	5,228	6,773
INCREASE IN DEPARTMENT OF LABOR RATE	1,545	
ADOPTION EXPENSES INCREASE DUE TO INFLATION	4	4
SPECIAL COMPENSATION FOR SEVERELY DISABLED INCREASE IN DEPARTMENT OF VETERANS AFFAIRS ESTIMATE	2,487	2,487
TOTAL INCREASES		9,310
DECREASES		
SURVIVORS' BENEFITS DECREASE IN DEPARTMENT OF VETERANS AFFAIRS ESTIMATE	-102	-102
EDUCATION BENEFITS DECREASE IN DEPARTMENT OF DEFENSE BOARD OF ACTUARIES ESTIMATE	-1,263	-1,263
TOTAL DECREASES		-1,365
FY 2003 DIRECT PROGRAM		\$77,916

(IN THOUSANDS OF DOLLARS)

PROJECT: 6-A APPREHENSION OF MILITARY DESERTERS,
ABSENTEES, AND ESCAPED MILITARY PRISONERS

FY 2003	ESTIMATE	\$825
FY 2002	ESTIMATE	\$812
FY 2001	ACTUAL	\$698

PART I - PURPOSE AND SCOPE

FUNDS REQUESTED WILL PROVIDE FOR EXPENSES IN CONNECTION WITH THE APPREHENSION OF DESERTERS, ABSENTEES, AND ESCAPED MILITARY PRISONERS AND FOR THEIR DELIVERY TO MILITARY CONTROL, INCLUDING THE COST OF SUBSISTENCE FURNISHED DURING THE PERIOD AN ENLISTED MEMBER IS DETAINED IN CIVIL CONFINEMENT FOR SAFEKEEPING WHEN SO REQUESTED BY MILITARY AUTHORITY; COSTS OF REWARDS AND REIMBURSEMENT FOR EXPENSES INCURRED; AND COST OF TRANSPORTATION, LODGING AND SUBSISTENCE OF A GUARD SENT IN PURSUIT OF AN ABSENTEE MEMBER.

PART II - JUSTIFICATION OF FUNDS REQUESTED

PRIOR YEAR COSTS ARE UTILIZED AS THE BASIS FOR DEVELOPING THE ESTIMATES. THE ESTIMATE REFLECTS REWARDS OF \$50.00 FOR APPREHENSION AND \$75.00 FOR APPREHENSION AND RETURN TO MILITARY CONTROL. THE ESTIMATE ALSO REFLECTS FINANCIAL RESPONSIBILITY FOR GUARD/ESCORT TRAVEL IN CONNECTION WITH THE MEMBER'S FURTHER RETURN TO PERMANENT DUTY STATION.

THE FOLLOWING ESTIMATE IS PROVIDED:

	<u>FY 2001</u> <u>AMOUNT</u>	<u>FY 2002</u> <u>AMOUNT</u>	<u>FY 2003</u> <u>AMOUNT</u>
APPREHENSION	<u>\$698</u>	<u>\$812</u>	<u>\$825</u>
TOTAL 6-A	<u>\$698</u>	<u>\$812</u>	<u>\$825</u>

(IN THOUSANDS OF DOLLARS)

PROJECT: 6-B INTEREST ON SAVINGS DEPOSITS

FY 2003	ESTIMATE	\$209
FY 2002	ESTIMATE	\$206
FY 2001	ACTUAL	\$188

PART I - PURPOSE AND SCOPE

FUNDS REQUESTED WILL PROVIDE PAYMENT OF INTEREST FOR SERVICE MEMBERS PARTICIPATING IN THE SERVICEMEN'S SAVINGS DEPOSIT PROGRAM.

PART II - JUSTIFICATION OF FUNDS REQUESTED

THE SERVICEMEN'S SAVINGS DEPOSIT PROGRAM WAS REINSTATED FOR THE PARTICIPANTS IN OPERATION DESERT SHIELD/STORM AND THOSE SERVING IN THE AREA OF OPERATION JOINT ENDEAVOR AND JOINT FORGE. THIS PROGRAM ALLOWS MEMBERS TO DEPOSIT THEIR MONEY INTO THE SAVINGS PROGRAM AND BE REIMBURSED 10% INTEREST ON ALL DEPOSITS.

THE FOLLOWING ESTIMATE IS PROVIDED:

	<u>FY 2001</u> AMOUNT	<u>FY 2002</u> AMOUNT	<u>FY 2003</u> AMOUNT
INTEREST	<u>\$188</u>	<u>\$206</u>	<u>\$209</u>
TOTAL 6-B	<u>\$188</u>	<u>\$206</u>	<u>\$209</u>

(IN THOUSANDS OF DOLLARS)

PROJECT: 6-C DEATH GRATUITIES

FY 2003	ESTIMATE	\$1,470
FY 2002	ESTIMATE	\$1,440
FY 2001	ACTUAL	\$1,398

PART I - PURPOSE AND SCOPE

FUNDS REQUESTED WILL PROVIDE FOR PAYMENT OF DEATH GRATUITIES TO BENEFICIARIES OF MILITARY PERSONNEL (10 U.S.C. 1475 - 1480). THE DEATH GRATUITY PAYMENT IS \$6,000 EFFECTIVE 2 AUGUST 1990.

PART II - JUSTIFICATION OF FUNDS REQUESTED

FUND REQUIREMENTS ARE BASED ON ACTUAL EXPERIENCE AS TO THE NUMBER OF DEATHS MULTIPLIED BY THE DEATH GRATUITY PAYMENT.

COMPUTATION OF FUND REQUIREMENTS IS PROVIDED IN THE FOLLOWING TABLE:

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
OFFICERS	40	\$6,000.00	\$240	40	\$6,000.00	\$240	40	\$6,000.00	\$240
ENLISTED	192	6,000.00	1,152	198	6,000.00	1,188	203	6,000.00	1,218
MIDSHIPMEN	<u>1</u>	6,000.00	<u>6</u>	<u>2</u>	6,000.00	<u>12</u>	<u>2</u>	6,000.00	<u>12</u>
TOTAL 6-C	<u>233</u>		<u>\$1,398</u>	<u>240</u>		<u>\$1,440</u>	<u>245</u>		<u>\$1,470</u>

(IN THOUSANDS OF DOLLARS)

PROJECT: 6-D UNEMPLOYMENT COMPENSATION

FY 2003	ESTIMATE	\$50,858
FY 2002	ESTIMATE	\$44,085
FY 2001	ACTUAL	\$42,826

PART I - PURPOSE AND SCOPE

FUNDS REQUESTED ARE FOR PAYMENTS OF UNEMPLOYMENT BENEFITS TO EX-SERVICE MEMBERS WHO ARE DISCHARGED OR RELEASED UNDER HONORABLE CONDITIONS AS PRESCRIBED IN PARAGRAPH (1) OF SECTION 8521(A) OF TITLE 5, UNITED STATES CODE AS AMENDED BY (SECTION 301,P.L. 102-164). GENERALLY, ELIGIBILITY IS DEFINED AS ACTIVE SERVICE IN THE ARMED FORCES WHERE UPON AN INDIVIDUAL WAS DISCHARGED UNDER HONORABLE CONDITIONS, AND HAD COMPLETED HIS FIRST FULL TERM OF ACTIVE SERVICE; OR WAS DISCHARGED BEFORE COMPLETING HIS FIRST TERM UNDER AN EARLY RELEASE PROGRAM, BECAUSE OF HARDSHIP, FOR MEDICAL REASONS, OR FOR PERSONALITY DISORDERS, OR INAPTITUDE (BUT ONLY IF THE SERVICE WAS CONTINUOUS FOR 365 DAYS OR MORE).

PART II - JUSTIFICATION OF FUNDS REQUESTED

THE NUMBER OF INDIVIDUALS ELIGIBLE FOR UNEMPLOYMENT BENEFITS PAYABLE IN A BENEFIT YEAR IS BASED ON ESTIMATED LOSSES, FACTORED TO EXCLUDE RETIREMENTS FOR OTHER THAN HONORABLE CONDITIONS AS DEFINED BY SECTION 8521(A) OF (TITLE 5, U.S. CODE, AS AMENDED).

COMPUTATION OF FUND REQUIREMENTS IS PROVIDED IN THE FOLLOWING TABLE:

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
UNEMPLOYMENT COMPENSATION	<u>12,409</u>	\$3,451.10	<u>\$42,826</u>	<u>11,919</u>	\$3,698.81	<u>\$44,085</u>	<u>13,332</u>	\$3,814.64	<u>\$50,858</u>
TOTAL 6-D	<u>12,409</u>		<u>\$42,826</u>	<u>11,919</u>		<u>\$44,085</u>	<u>13,332</u>		<u>\$50,858</u>

(IN THOUSANDS OF DOLLARS)

PROJECT: 6-E SURVIVORS' BENEFITS

FY 2003	ESTIMATE	\$2,748
FY 2002	ESTIMATE	\$2,850
FY 2001	ACTUAL	\$3,157

PART I - PURPOSE AND SCOPE

FUNDS REQUESTED WILL PROVIDE FOR PAYMENTS OF RESTORED SOCIAL SECURITY BENEFITS TO WIDOWS AND ORPHANS OF MILITARY PERSONNEL. THESE BENEFITS WERE WITHDRAWN UNDER PUBLIC LAW 97-35. PUBLIC LAW 97-35 TERMINATED THE "MOTHER'S" BENEFIT WHEN THE LAST CHILD IN CUSTODY OF THE SURVIVING SPOUSE REACHED AGE 16, RATHER THAN 18, AND AFFECTED THE "SCHOOL CHILD" BY EITHER ELIMINATING BENEFIT PAYMENTS OR BY REQUIRING A REDUCTION IN BENEFITS. SECTION 156 OF PUBLIC LAW 97-377 MODIFIED BY SECTION 943 OF THE DOD AUTHORIZATION ACT, FY 1984, PL 98-94, 97 STATE., 614, RESTORED THESE SOCIAL SECURITY BENEFITS TO SURVIVORS OF MILITARY MEMBERS AND DIRECTED THE DEPARTMENT OF DEFENSE TO BUDGET FOR THIS REQUIREMENT.

PART II - JUSTIFICATION OF FUNDS REQUESTED

COST ESTIMATES ARE BASED ON ACTUAL EXPERIENCE.

THE FOLLOWING ESTIMATE IS PROVIDED:

	<u>FY 2001</u> AMOUNT	<u>FY 2002</u> AMOUNT	<u>FY 2003</u> AMOUNT
SURVIVORS' BENEFITS	<u>\$3,157</u>	<u>\$2,850</u>	<u>\$2,748</u>
TOTAL 6-E	<u>\$3,157</u>	<u>\$2,850</u>	<u>\$2,748</u>

(IN THOUSANDS OF DOLLARS)

PROJECT: 6-F EDUCATION BENEFITS

FY 2003	ESTIMATE	\$6,746
FY 2002	ESTIMATE	\$8,009
FY 2001	ACTUAL	\$6,773

PART I - PURPOSE AND SCOPE

FUNDS ARE FOR PAYMENT TO THE DEPARTMENT OF DEFENSE EDUCATION BENEFITS FUND, A TRUST FUND. THIS PROGRAM IS GOVERNED BY TITLE 38 U.S.C., CHAPTER 30. THE PROGRAM FUNDS ADDITIONAL AND SUPPLEMENTAL BENEFIT PAYMENTS ABOVE A BASIC BENEFIT TO BE BUDGETED BY THE VETERANS ADMINISTRATION. THIS PROGRAM IS BUDGETED ON AN ACCRUAL BASIS BY THE DEPARTMENT OF DEFENSE. ACTUAL BENEFIT PAYMENTS TO INDIVIDUALS ARE MADE BY THE VETERANS ADMINISTRATION FROM FUNDS TRANSFERRED FROM THE TRUST ACCOUNT.

PART II – JUSTIFICATION OF FUNDS REQUESTED

PUBLIC LAW 101-510 ALLOWS SERVICE MEMBERS WHO WERE ON ACTIVE DUTY 30 SEPTEMBER 1990 AND INVOLUNTARILY SEPARATED AFTER 3 FEBRUARY 1991, THE OPPORTUNITY TO ENROLL IN THE MONTGOMERY GI BILL. THE FY 1993 DEFENSE AUTHORIZATION ACT ALLOWS MEMBERS EXERCISING THE VSI/SSB OPTIONS TO CONVERT FROM THE VETERANS EDUCATIONAL ASSISTANCE PROGRAM (VEAP) TO THE MONTGOMERY GI BILL AS A RESULT OF CHANGES IN THE LAW. THE SERVICES WILL BE REQUIRED TO MAKE ADDITIONAL CONTRIBUTIONS TO THE DOD EDUCATIONAL BENEFITS FUND.

THE FOLLOWING ESTIMATE IS PROVIDED:

	<u>FY 2001</u> AMOUNT	<u>FY 2002</u> AMOUNT	<u>FY 2003</u> AMOUNT
MONTGOMERY G.I. BILL			
(A) INVOLUNTARY SEPARATEES	\$1,204	\$1,347	\$1,370
(B) UNFUNDED LIABILITY	<u>5,569</u>	<u>6,662</u>	<u>5,376</u>
TOTAL AMORTIZATION	6,773	8,009	6,746
 TOTAL 6-F	 <u>\$6,773</u>	 <u>\$8,009</u>	 <u>\$6,746</u>

(IN THOUSANDS OF DOLLARS)

PROJECT: 6-G ADOPTION EXPENSES

FY 2003	ESTIMATE	\$236
FY 2002	ESTIMATE	\$232
FY 2001	ACTUAL	\$207

PART I - PURPOSE AND SCOPE

FUNDS REQUESTED WILL PROVIDE REIMBURSEMENT FOR QUALIFYING ADOPTION EXPENSES UNDER THE PROVISIONS OF (10 U.S.C. CHAPTER 53, SECTION 1053).

PART II - JUSTIFICATION OF FUNDS REQUESTED

ALL ACTIVE DUTY INDIVIDUALS WHO INITIATE ADOPTION PROCEEDINGS ARE ELIGIBLE TO RECEIVE REIMBURSEMENT FOR EXPENSES RELATED TO THE ADOPTION OF CHILDREN UNDER 18 YEARS OF AGE. REIMBURSEMENT, WHICH IS MADE ONLY AFTER THE ADOPTION IS FINAL, IS LIMITED TO NOT MORE THAN \$2,000 TO A MEMBER OF THE ARMED FORCES OR, TO TWO SUCH MEMBERS WHO ARE SPOUSES OF EACH OTHER, FOR EXPENSES INCURRED IN THE ADOPTION OF A CHILD. A MAXIMUM OF NOT MORE THAN \$5,000 IN ANY CALENDAR YEAR MAY BE PAID TO ANY MEMBER OR TWO SUCH MEMBERS WHO ARE SPOUSES.

THE FOLLOWING ESTIMATE IS PROVIDED:

	<u>FY 2001</u> AMOUNT	<u>FY 2002</u> AMOUNT	<u>FY 2003</u> AMOUNT
ADOPTION EXPENSES	<u>\$207</u>	<u>\$232</u>	<u>\$236</u>
TOTAL 6-G	<u>\$207</u>	<u>\$232</u>	<u>\$236</u>

(IN THOUSANDS OF DOLLARS)

PROJECT: 6-H SPECIAL COMPENSATION FOR SEVERELY DISABLED

FY 2003	ESTIMATE	\$10,433
FY 2002	ESTIMATE	\$7,946
FY 2001	ACTUAL	\$4,136

PART I - PURPOSE AND SCOPE

SECTION 658 OF THE FY 2000 NATIONAL DEFENSE AUTHORIZATION ACT (P.L. 106-65) PROVIDED A NEW ELEMENT OF COMPENSATION FOR CERTAIN SEVERELY DISABLED RETIREES OF THE UNIFORMED SERVICES. PAYMENTS WILL BE MADE TO MILITARY RETIREES WHO (1) POSSESS A MINIMUM VA DISABILITY RATING OF AT LEAST 70%, (2) RECEIVE THE MINIMUM DISABILITY RATING WITHIN FOUR YEARS OF RETIREMENT, (3) RETIRE WITH A NON-DISABILITY RETIREMENT, AND (4) HAVE 20 PLUS YEARS OF SERVICE FOR THE PURPOSE OF COMPUTING RETIRED PAY. FY 2002 NDAA EXPANDS ELIGIBILITY AND INCREASES PAYMENT LEVELS.

PART II - JUSTIFICATION OF FUNDS REQUESTED

COST ESTIMATE PROVIDED BY DEPARTMENT OF VETERANS AFFAIRS.

THE FOLLOWING ESTIMATE IS PROVIDED:

	<u>FY 2001</u> <u>AMOUNT</u>	<u>FY 2002</u> <u>AMOUNT</u>	<u>FY 2003</u> <u>AMOUNT</u>
SPECIAL COMPENSATION FOR SEVERELY DISABLED	<u>\$4,136</u>	<u>\$7,946</u>	<u>\$10,433</u>
TOTAL 6-H	<u>\$4,136</u>	<u>\$7,946</u>	<u>\$10,433</u>

(IN THOUSANDS OF DOLLARS)

PROJECT: 6-I TRANSPORTATION SUBSIDY

FY 2003	ESTIMATE	\$4,391
FY 2002	ESTIMATE	\$4,391
FY 2001	ACTUAL	\$1,258

PART I - PURPOSE AND SCOPE

EXECUTIVE ORDER 13150 ON FEDERAL WORKFORCE TRANSPORTATION, DATED APRIL 21, 2000, REQUIRES THAT BY NO LATER THAN OCTOBER 1, 2000, FEDERAL AGENCIES SHALL IMPLEMENT A TRANSIT PASS FRINGE BENEFIT PROGRAM FOR QUALIFIED FEDERAL EMPLOYEES IN THE NATIONAL CAPITAL REGION (NCR). WASHINGTON HEADQUARTERS SERVICE (WHS) HAS BEEN DESIGNATED TO RUN THE WITHIN NCR TRANSIT PASS PROGRAM FOR DOD AND HAS BEEN WORKING CLOSELY WITH THE DEPARTMENT OF TRANSPORTATION TO ENSURE THAT COSTS WILL BE IDENTIFIED TO THE MAJOR COMMAND LEVEL. IN ADDITION, FUNDING IS BEING PROVIDED FOR A TRANSIT PASS FRINGE BENEFIT PROGRAM FOR AREAS OUTSIDE THE NCR. THIS BENEFIT APPLIES TO BOTH MASS TRANSIT AND QUALIFIED VANPOOL PARTICIPANTS.

PART II - JUSTIFICATION OF FUNDS REQUESTED

UNDER THIS PROGRAM, PARTICIPATING EMPLOYEES WILL RECEIVE, IN ADDITION TO THEIR CURRENT COMPENSATION, "TRANSIT PASSES" IN AMOUNTS EQUAL TO PERSONAL COMMUTING COSTS, NOT TO EXCEED \$65 PER MONTH (26 U.S.C. 132 (F)(2)). THIS ROSE TO \$100 PER MONTH IN FY 2002.

COMPUTATION OF FUND REQUIREMENTS IS PROVIDED IN THE FOLLOWING TABLE:

	FY 2001			FY 2002			FY 2003		
	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT	NUMBER	RATE	AMOUNT
OFFICERS	677	\$780.00	\$528	1,537	\$1,200.00	\$1,845	1,537	\$1,200.00	\$1,845
ENLISTED	<u>936</u>	780.00	<u>730</u>	<u>2,122</u>	\$1,200.00	<u>2,546</u>	<u>2,122</u>	\$1,200.00	<u>2,546</u>
TOTAL 6-I	<u>1,613</u>		<u>\$1,258</u>	<u>3,659</u>		<u>\$4,391</u>	<u>3,659</u>		<u>\$4,391</u>
LESS REIMBURSABLE OBLIGATIONS			<u>0</u>			<u>0</u>			<u>0</u>
TOTAL DIRECT OBLIGATIONS			<u>\$60,641</u>			<u>\$69,971</u>			<u>\$77,916</u>

SECTION 5
NAVY MILITARY STRENGTH ASSIGNED OUTSIDE DOD
(END STRENGTH)

	FY 2001			FY 2002			FY 2003		
	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL
<u>ASSIGNED OUTSIDE DOD</u>									
<u>NON-REIMBURSABLE PERSONNEL</u>									
EXECUTIVE OFFICE OF THE PRESIDENT	7	8	15	7	8	15	8	8	16
OFFICE OF THE VICE PRESIDENT	0	10	10	0	10	10	0	10	10
STATE DEPARTMENT	7	1	8	6	1	7	6	1	7
STATE DEPARTMENT(U N TRUCE SUPERVISION)	6	0	6	6	0	6	6	0	6
JUSTICE DEPARTMENT	1	0	1	1	0	1	1	0	1
ENERGY DEPARTMENT	5	0	5	5	0	5	5	0	5
NATL DRUG INTERDICTION PROGRAM	5	5	10	6	5	11	6	5	11
CLASSIFIED ACTIVITIES	0	0	0	0	0	0	0	0	0
CENTRAL INTELLIGENCE AGENCY	2	0	2	2	0	2	2	0	2
DOD PROJECT OFFICE	15	2	17	15	2	17	15	2	17
COMMERCE DEPT	1	15	16	1	15	16	1	15	16
DEPT OF TRANSP (COAST GUARD)	<u>1</u>	<u>0</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>1</u>
SUB TOTAL NON REIMB PROGRAM	50	41	91	50	41	91	51	41	92
<u>REIMBURSABLE PERSONNEL</u>									
EXECUTIVE OFFICE OF THE PRESIDENT	0	0	0	0	0	0	0	0	0
ARMS CONT'L & DISARMAMENT AGENCY	6	0	6	6	0	6	6	0	6
STATE DEPARTMENT	0	0	0	0	0	0	0	0	0
DOT (MARITIME)	0	0	0	0	0	0	0	0	0
DOT (FAA)	1	0	1	1	0	1	1	0	1
DOT (COAST GUARD)	38	0	38	38	0	38	38	0	38
DOT(MERCHANT MARINE)	2	1	3	2	1	3	2	1	3
NASA	36	0	36	36	0	36	35	0	35
OFFICE OF PHYSICIAN TO CONGRESS	5	9	14	5	9	14	5	9	14
CLASSIFIED ACTIVITIES	9	10	19	9	10	19	9	10	19
ENERGY DEPT (DOE)	1	0	1	1	0	1	1	0	1
NAVAL HOME	<u>2</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
SUB-TOTAL REIMBURSABLE PERSONNEL	<u>100</u>	<u>20</u>	<u>120</u>	<u>98</u>	<u>20</u>	<u>118</u>	<u>97</u>	<u>20</u>	<u>117</u>
TOTAL OUTSIDE DOD	150	61	211	148	61	209	148	61	209

	FY 2001			FY 2002			FY 2003		
	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL	OFFICER	ENLISTED	TOTAL
ASSIGNED TO DOD ACTIVITIES									
REIMBURSABLE PERSONNEL									
WORKING CAPITAL FUND									
WCF-NAVY	881	1,473	2,354	859	1,284	2,143	863	1,323	2,186
WCF-DEFENSE	<u>244</u>	<u>192</u>	<u>436</u>	<u>244</u>	<u>188</u>	<u>432</u>	<u>244</u>	<u>184</u>	<u>428</u>
WCF TOTAL	1,125	1,665	2,790	1,103	1,472	2,575	1,107	1,507	2,614
STATE DEPARTMENT (CB'S)	1	128	129	1	128	129	2	121	123
NATIONAL SCIENCE FOUNDATION	0	0	0	0	0	0	0	0	0
FOREIGN MILITARY SALES	<u>91</u>	<u>123</u>	<u>214</u>	<u>89</u>	<u>118</u>	<u>207</u>	<u>87</u>	<u>114</u>	<u>201</u>
SUB TOTAL DOD REIMBURSABLE PERSONNEL	1,217	1,916	3,133	1,193	1,718	2,911	1,196	1,742	2,938
TOTAL NON-REIMBURSABLE PERSONNEL	50	41	91	50	41	91	51	41	92
TOTAL REIMBURSABLE PERSONNEL	<u>1,317</u>	<u>1,936</u>	<u>3,253</u>	<u>1,291</u>	<u>1,738</u>	<u>3,029</u>	<u>1,293</u>	<u>1,762</u>	<u>3,055</u>
GRAND TOTAL	1,367	1,977	3,344	1,341	1,779	3,120	1,344	1,803	3,147

REIMBURSABLE PROGRAM
MILITARY PERSONNEL, NAVY
(IN THOUSANDS OF DOLLARS)

	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>
<u>SUBSISTENCE: (SIK)</u>	<u>41,180</u>	<u>41,321</u>	<u>41,321</u>
SALE OF MEALS - BULK SUBSISTENCE	41,180	41,321	41,321
<u>MEDICAL:</u>	0	0	0
<u>OTHER NON-STRENGTH RELATED:</u>	<u>100</u>	<u>100</u>	<u>100</u>
OTHER MILITARY COSTS	100	100	100
<u>STRENGTH RELATED:</u>	<u>193,686</u>	<u>180,385</u>	<u>357,861</u>
OFFICERS	117,996	114,795	214,065
BASIC PAY	(72,438)	(68,755)	(141,059)
RETIRED PAY ACCRUAL	(21,340)	(22,255)	(38,650)
ENLISTED	62,806	58,424	136,458
BASIC PAY	(40,214)	(37,927)	(98,020)
RETIRED PAY ACCRUAL	(11,603)	(9,724)	(26,857)
SUBSISTENCE: (BAS)	4,990	3,666	3,838
PCS TRAVEL	7,894	3,500	3,500
TOTAL PROGRAM	\$234,966	\$221,806	\$399,282